

REDUCING WASTE IN GOVERNMENT: ADDRESSING GAO'S 2014 REPORT ON DUPLICATIVE FEDERAL PROGRAMS

HEARING BEFORE THE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM HOUSE OF REPRESENTATIVES ONE HUNDRED THIRTEENTH CONGRESS

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REDUCING WASTE IN GOVERNMENT: ADDRESSING GAO'S 2014 REPORT ON DUPLICATIVE FEDERAL PROGRAMS

Wednesday, April 8, 2014,

**HOUSE OF REPRESENTATIVES,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
WASHINGTON, D.C.**

The committee met, pursuant to call, at 1:30 p.m., in Room 2154, Rayburn House Office Building, Hon. Darrell E. Issa [chairman of the committee] presiding.

Present: Representatives Issa, Mica, Turner, Chaffetz, Walberg, Lankford, Amash, Gosar, DesJarlais, Collins, Bentivolio, DeSantis, Cummings, Maloney, Connolly, Lujan Grisham, and Kelly.

Staff Present: Ali Ahmad, Majority Staff Member; Molly Boyl, Majority Deputy General Counsel and Parliamentarian; Lawrence J. Brady, Majority Staff Director; David Brewer, Majority Senior Counsel; Caitlin Carroll, Majority Press Secretary; Sharon Casey, Majority Senior Assistant Clerk; Drew Colliatie, Majority Professional Staff Member; Adam P. Fromm, Majority Director of Member Services and Committee Operations; Tyler Grimm, Majority Senior Professional Staff Member; Mark D. Marin, Majority Deputy Staff Director for Oversight; Katy Rother, Majority Counsel; Laura L. Rush, Majority Deputy Chief Clerk; Jenna VanSant, Majority Professional Staff Member; Peter Warren, Majority Legislative Policy Director; Krista Boyd, Minority Deputy Director of Legislation/Counsel; Aryele Bradford, Minority Press Secretary; Beverly Britton Fraser, Minority Counsel; and Juan McCullum, Minority Clerk.

Chairman ISSA. The committee will come to order.

Today's hearing is on Reducing Waste in Government: Addressing GAO's 2014 Report on Duplicative Federal Programs.

Without objection, the chair is authorized to declare a recess of the committee at any time.

The Committee on Oversight and Government Reform exists to secure two fundamental principles: first, Americans have a right to know that the money Washington takes from them is well spent and, second, Americans deserve an efficient, effective Government that works for them. Our duty on the Oversight and Government Reform Committee is to protect these rights.

Our solemn responsibility is to hold Government accountable to taxpayers, because taxpayers have a right to know what they get from their Government and that money is well spent. It is our job to work tirelessly in partnership with citizen watchdogs to deliver

the facts to the American people and bring genuine reform to the Federal bureaucracy.

Today, the Government Accountability Office released its fourth annual report on fragmentation, overlap, and duplications in Federal Government programs. The report identifies opportunities to consolidate Federal programs in order to both save taxpayers money and provide better services.

Since the first report in 2011, the GAO has identified 188 problem areas over 400 actions that the Executive Branch agencies and Congress could take to address these problems. Comptroller General Gene Dodaro has joined us here today in order to discuss the report and answer the Committee's questions. But there are some questions he won't be able to answer.

For instance, how does the duplication and waste in Federal Government cost and how much taxpayer money can we save if we follow the GAO's recommendations? Through GAO estimates of cost savings, we find a range of tens of billions of dollars per year or more that we cannot provide a specific answer. Nor should we look for a specific answer. The American people expect, if there is tens of billions of dollars to be saved, that we begin saving them and score the savings after we have it.

GAO found agencies often unable to tell them how much taxpayer money is actually being spent on a given federal program. This is part of a bigger problem. The American people deserve to know how much their money is being spent on any particular Federal program and how much of that money is being wasted.

Fortunately, we have a big solution: the Digital Accountability and Transparency Act, or DATA Act. The DATA Act will bring rigorous reporting standards to Federal spending information; Federal agencies will be required to report on how they spend taxpayer dollars down to the program level.

Improving transparency and accountability for Federal spending is not a partisan issue. I introduced the bipartisan DATA Act in both the 112th and 113th Congress along with my colleague, Ranking Member Cummings as its chief cosponsor. In both congresses the DATA Act was passed by the full House on a near unanimous basis.

This week a bipartisan, bicameral compromised version of the DATA Act will be advanced in the United States Senate. My lead advocate there is Senator Warner, who in fact has worked together with our staff on both sides, the ranking member and my staff, to work out what we would call a hybrid, best of DATA Act.

While there were some differences, they were resolved and, working together over three years, we believe we have the best of all answers for data of what can be done at this time, and I look forward to asking Mr. Dodaro more about his view on the current version of the DATA Act and what it would yield.

In the testimony today I am quite sure that what we will find is there is low-hanging fruit; much of it is the same low-hanging fruit that we saw a year ago and a year before that. So as we hold this hearing today, I ask everyone to realize can we any longer enjoy inaction at a time when the budget could be completely, budget goals could be completely reached by this sort of savings? And I say that every time because the budget compromise of last

year was \$23 billion over 10 years. Eliminating duplicative programs could save more than \$23 billion over 10 years without costing any service or any reductions to anyone working or retired.

With that, I recognize the ranking member for his opening statement.

Mr. CUMMINGS. Thank you very much, Mr. Chairman. I thank you for holding this hearing today and I thank you, Mr. Dodaro, for being here to testify about GAO's new report.

This report will focus on GAO's fourth annual report on duplicative programs and opportunities for Federal cost savings. This hearing goes right to the heart of this committee's jurisdiction. The rules of the House identify Government management and accounting measures as central pillars of the Oversight Committee's jurisdiction.

The committee's jurisdiction also includes the overall economy, efficiency and management of Government operations and activities, including Federal procurement. In its 2012 report, GAO identifies procurement of information technology as an area of potential savings for taxpayers. GAO highlights the Obama Administration's PortfolioStat initiative, which was unveiled by the Office of Management and Budget in 2012.

PortfolioStat is designed to maximize IT investments by eliminating duplicative low value and wasteful IT spending. GAO estimates that PortfolioStat could save the Federal Government at least \$5.8 billion through fiscal year 2015.

Think about that. This one program could have the potential to save the Government nearly \$6 billion.

We have heard so much rhetoric recently about challenges and information technology investments related to the Affordable Care Act. We should be hearing more about the money the Federal Government can save through initiatives such as PortfolioStat.

The House recently passed a bill sponsored by Chairman Issa and Subcommittee Ranking Member Connolly to improve information technology spending. That legislation, FITARA, demonstrates that there is a bipartisan support for making IT spending more effective and efficient.

GAO's work shows us that there are potential additional opportunities to improve IT spending through bipartisan oversight. GAO, for example, found that OMB's initial cost savings estimates for PortfolioStat failed to include information from the Department of Defense and the Department of Justice because those agencies did not report information to OMB in the proper template. As a result, OMB's estimated savings from PortfolioStat were half as much as GAO's estimate, a difference of over \$3 billion. The committee should ask DOD and DOJ why they failed to provide this information to OMB using OMB's template.

We should also ask OMB why it released estimates without information from those two agencies and without clearly disclosing that the data from those agencies was missing. I ask the chairman to join me in following up with those agencies to ensure that we have the best information possible about how to cut Government spending.

I want to take a moment to highlight an issue that was addressed following the committee's hearing last year on GAO's 2013 report.

In its 2013 report, the GAO criticized the Department of Defense's fragmented approach to combat uniforms. Representative Tammy Duckworth introduced an amendment to address that issue and her amendment was enacted as a part of the National Defense Authorization Act of 2014. Representative Duckworth's amendment required the Secretary of Defense to eliminate service-specific combat uniforms. The GAO estimates that all of the actions taken by the Executive Branch and Congress in response to GAO's first three reports have yielded more than \$10 billion in cost savings. GAO estimates that billions more in savings will be realized over the next 10 years.

I want to applaud Representative Duckworth for her work following last year's hearing. I hope we can all use the testimony here today to inspire us to take further action.

With that, I yield back.

Chairman ISSA. I thank the gentleman.

It is now my pleasure to introduce the Honorable Gene Dodaro, the Comptroller General of the United States, who today is joined by quite an entourage of experts from the General Accountability Office. And I understand that many of them will be providing detailed information, so I would ask both Comptroller General Dodaro and those who may provide information to stand and take the oath. Please raise all of your right hands.

Do you solemnly swear or affirm that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth?

[Witnesses respond in the affirmative.]

Chairman ISSA. Please be seated.

Let the record reflect that all witnesses answered in the affirmative.

Mr. Dodaro, since you are the only one that will be formally doing an opening statement, you may take such time as you may need, but your entire opening statement will be placed in the record. You are recognized.

WITNESS STATEMENT

STATEMENT OF GENE L. DODARO

Mr. DODARO. Thank you very much, Mr. Chairman. Good afternoon to you, Ranking Member Cummings, Congressman Mica, Congressman DesJarlais. I appreciate the opportunity to be here today to discuss GAO's 2014 report.

In this report, we identify 26 new areas, in addition to the 162 areas we identified before. Eleven of the areas deal with overlap fragmentation and potential duplication in the Federal Government. Half of those 11 areas deal with the Department of Defense. One example I would provide today has to do with systems to control their satellite operations. What we found is that they are using more dedicated systems rather than shared systems over a period of time, in the last several years in particular during the last dec-

ade, which means that there are fragmented systems and potentially duplicative.

So they have one system for one satellite, as opposed to having one ground base system that would save hardware, software, and personnel costs that could service many satellites. We think implementation of our recommendations in this area could save millions, if not hundreds of millions of dollars.

We also found duplication and overlap in special payments that are made for unemployment insurance and disability insurance. Those programs are meant to operate separately, but there is a potential loophole where we found that people can receive both benefits at the same time. In effect, the Federal Government is replacing lost income from these individuals twice, not just once, as intended. CBO has said that enactment of a legislation to close this loophole could save \$1.2 billion over a 10-year period of time.

We also found 15 other areas where there are opportunities for cost savings. One example I would cite is the alternative Technology Vehicle Manufacturing Loan Program. We found that there is \$4.2 billion in already appropriated credit subsidy costs that are available, but the Department of Energy has not demonstrated a need for that money and we recommended that, unless they do, Congress could rescind all or a portion of the \$4.2 billion. There is really not a lot of active applications for loans under that program currently.

We also found that there are opportunities to collect amounts of delinquent taxes, for example, in not issuing passports to people who have delinquent taxes that are owed to the Federal Government. Right now, you can collect child support payment that way, but you can't prevent somebody from getting a passport. CBO estimates that if a provision is passed to allow the State Department to withhold passports from people who owe delinquent taxes, the Federal Government could receive about \$500 million in a five-year period of time.

Also, there is the ability to potentially offset payments of delinquent taxes to Medicaid providers. Right now that is able to be done for Medicare, but not for Medicaid. Additional revenues could accrue to the Federal Government as a result of that.

Now, in addition to identifying new areas, we tracked the 162 areas that we recommended previously, and they had over 380 specific actions that needed to be taken. If I draw your attention to the chart that we have here, the dark blue on the bottom shows the increase in the amount of areas that have been addressed over time. So roughly, of the over 380 actions that have been recommended by us, about a third have been implemented. The partially implemented are another 44 percent, and about 19 percent haven't been addressed at all either by the Executive Branch or the Congress.

Now, the areas that have been addressed, as you mentioned, Mr. Chairman, we can score the savings that occur after the fact. The areas that have been addressed, over \$10 billion has already been saved to the Federal Government because of actions by the Congress and by the Executive Branch, and those actions will also result in the future of about another \$60 billion in savings over a period of time. And some of these areas, Mr. Chairman, as you men-

tioned, were used to help offset the sequester last year so that we were able to take targeted reductions without disrupting services to the public unnecessarily.

So there has been action on many of the recommendations. Billions of dollars is being saved, will be saved, but there is a lot yet still on the table to be dealt with that could lead to a lot more savings and more efficient and effective operations for the American taxpayer. So we are dedicated to continuing to follow up on these areas, Mr. Chairman, and we thank you very much for the opportunity to be here today.

[Prepared statement of Mr. Dodaro follows:]

**GAO
Highlights**

Highlights of GAO-14-478T, testimony before the Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

As the fiscal pressures facing the government continue, so too does the need for executive branch agencies and Congress to improve the efficiency and effectiveness of government programs and activities. Opportunities to take action exist in areas where federal programs or activities are fragmented, overlapping, or duplicative.

To highlight these challenges and to inform government decision makers on actions that could be taken to address them, GAO is statutorily required to identify and report annually to Congress on federal programs, agencies, offices, and initiatives, both within departments and government-wide, which have duplicative goals or activities. GAO has also identified additional opportunities to achieve greater efficiency and effectiveness by means of cost savings or enhanced revenue collection.

This statement discusses the (1) new areas identified in GAO's 2014 annual report; (2) status of actions taken by the administration and Congress to address the 162 areas previously identified in GAO's 2011, 2012 and 2013 annual reports; and (3) opportunities to address the issues GAO identified. To identify what actions exist to address these issues and take advantage of opportunities for cost savings and enhanced revenues, GAO reviewed and updated prior work and recommendations for consideration.

View GAO-14-478T. For more information, contact Orice Williams Brown or A. Nicole Clowers at (202) 512-8678.

April 2014

GOVERNMENT EFFICIENCY AND EFFECTIVENESS

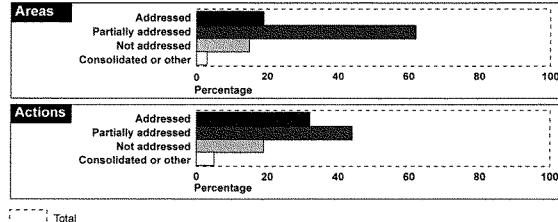
Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits

What GAO Found

GAO's 2014 annual report identifies 64 new actions that executive branch agencies and Congress could take to improve the efficiency and effectiveness of 26 areas of government. GAO identifies 11 new areas in which there is evidence of fragmentation, overlap, or duplication. For example, under current law, individuals are allowed to receive concurrent payments from the Disability Insurance and Unemployment programs. Eliminating the overlap in these payments could save the government about \$1.2 billion over the next 10 years. GAO also identifies 15 new areas where opportunities exist either to reduce the cost of government operations or enhance revenue collections. For example, Congress could rescind all or part of the remaining \$4.2 billion in credit subsidies for the Advanced Technology Vehicles Manufacturing Loan program unless the Department of Energy demonstrates sufficient demand for this funding.

The executive branch and Congress have made progress in addressing the approximately 380 actions across 162 areas that GAO identified in its past annual reports. As of March 6, 2014, the date GAO completed its progress update audit work, nearly 20 percent of these areas were addressed, over 60 percent were partially addressed, and about 15 percent were not addressed, as shown in the figure below. Executive branch and congressional efforts to address these and other actions over the past 3 years have resulted in over \$10 billion in cost savings with billions of dollars more in cost savings anticipated in future years.

Assessment of 2011-2013 Areas and Actions Needed, as of March 6, 2014



Source: GAO.

Better data and a greater focus on outcomes are essential to improving the efficiency and effectiveness of federal efforts. Currently, there is not a comprehensive list of all federal programs and agencies often lack reliable budgetary and performance information about their own programs. Without knowing the scope, cost, or performance of programs, it is difficult for executive branch agencies or Congress to gauge the magnitude of the federal commitment to a particular area of activity or the extent to which associated federal programs are effectively and efficiently achieving shared goals.

Chairman Issa, Ranking Member Cummings, and Members of the Committee:

I appreciate the opportunity to discuss our 2014 annual report, which presents 26 new opportunities to reduce fragmentation, overlap, and duplication, and achieve other financial benefits.¹ My testimony today describes the (1) new issues identified in our 2014 annual report; (2) the status of actions taken by the administration and Congress to address the issues identified in our past annual reports² and (3) opportunities to address the issues we identified. My comments are based upon our 2014 annual report, which is being released today, as well as our update on the progress made in implementing actions that we have made in our previous annual reports. These efforts are based upon work GAO conducted in accordance with generally accepted government auditing standards.

Twenty-six New Areas Identified to Improve Efficiency and Effectiveness across the Federal Government

We identified 11 new areas in which we found evidence of fragmentation, overlap, or duplication and present 19 actions to executive branch agencies and Congress to address these issues. As described in table 1, these areas span a wide range of federal functions or missions.

¹GAO, *2014 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-14-343SP (Washington, D.C.: April 8, 2014).

²GAO, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP (Washington, D.C.: Mar. 1, 2011), 2012 Annual Report: *Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012), and 2013 Annual Report: *Actions Needed to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-13-279SP (Washington, D.C.: Apr. 9, 2013).

Table 1: Fragmentation, Overlap, and Duplication Areas Identified in Our 2014 Report, by Mission

Mission	Areas identified
Defense	<p>Army Workforce Planning: To address potential overlap between two Army information systems that support workforce planning for weapon system maintenance, manufacturing, and other industrial operations, the Army should increase leadership attention and establish a fully developed and documented approach for completing a timely assessment of unnecessary overlap, which could lead to millions of dollars in annual savings.</p> <p>Contracting for Defense Health Care Professionals: The Department of Defense should develop a consolidated agency-wide strategy to contract for health care professionals to reduce fragmentation and achieve greater efficiencies.</p> <p>Defense Satellite Control Operations: Increased use of shared satellite control networks and leading practices within the Department of Defense could reduce fragmentation and potential duplication associated with dedicated systems, resulting in millions of dollars in savings annually.</p> <p>Defense Studies and Analysis Research: To address fragmentation in the processes used across the department to request studies and analysis research and limit the potential for overlap and duplication in research activities, the Department of Defense should establish a mechanism that requires the military services and other departmental offices to formally coordinate their annual research requests.</p> <p>POW/MIA Mission: The Department of Defense should minimize overlapping and duplicative efforts by examining options to reduce fragmentation and clarify guidance on roles and responsibilities among the eight organizations that account for missing persons and improve the effectiveness of the mission.⁴</p>
Health	<p>Federal Autism Research: Because much of the \$1.2 billion that federal agencies spent on autism research from fiscal years 2008 through 2012 had the potential to be duplicative, the Interagency Autism Coordinating Committee and federal agencies should improve coordination and monitoring of autism research to help avoid unnecessary duplication.</p> <p>Minority AIDS Initiative: Consolidating the fragmented funding of the Department of Health and Human Services' Minority AIDS Initiative into core HIV/AIDS funding would likely reduce grantees' administrative burden and help the agency more efficiently and effectively serve minority populations who are disproportionately affected by HIV/AIDS, with the approximately \$3 billion used for this purpose.</p>
Income security	<p>Disability and Unemployment Benefits: Congress should consider passing legislation to prevent individuals from collecting both full Disability Insurance benefit and Unemployment Insurance benefits that cover the same period, which could save \$1.2 billion over 10 years in the Social Security Disability Insurance program according to the Congressional Budget Office.</p> <p>Federal Employees' Compensation and Unemployment Benefits: Changes to enhance the sharing of compensation and wage information between state and federal agencies could improve the Department of Labor's ability to identify potentially improper payments, including inappropriately overlapping payments from the Federal Employees' Compensation Act program and the Unemployment Insurance program administered by the states.</p>
Information technology	Interoperable Radio Communications Systems: Better collaboration among agencies that rely on radio communications solutions for mission-critical operations would help to address fragmentation in their approach to improving the interoperability of radio communications systems and has the potential to achieve savings.
International affairs	International Religious Freedom: To promote international religious freedom more effectively, the Department of State and the U.S. Commission on International Religious Freedom should define how they are to interact in their efforts; the lack of defined roles has at times created tensions with foreign government officials.

Source: GAO.

⁴On March 31, 2014, the Secretary of Defense announced that he has ordered a reorganization of the missing persons accounting community to consolidate functions and address duplication and

inefficiency. This announcement addresses our recommendation to examine options to reorganize the accounting community and is an important step towards reducing duplication and inefficiencies. However, the department has not yet clarified roles and responsibilities for the new organization, and it remains unclear to what extent this reorganization will address some other coordination challenges that we identified. We will continue to monitor the implementation of these and other actions to improve the mission and goals of the missing person accounting community.

We consider programs or activities to be fragmented when more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need, which may result in inefficiencies in how the government delivers services. We identified fragmentation in multiple programs we reviewed. For example, the Department of Defense (DOD) does not have a consolidated agency-wide strategy to contract for health care professionals, resulting in a contracting approach that is largely fragmented. Although some of the military departments have attempted to consolidate their health care staffing requirements through joint-use contracts, such contracts only accounted for approximately 8 percent of the \$1.14 billion in obligations for health care professionals in fiscal year 2011.³

Moreover, in May 2013, we identified several instances in which numerous task orders were awarded by a single military department for the same type of health care professional in the same area or facility.⁴ For example, we identified 24 separate task orders for contracted medical assistants at the same military treatment facility. By not consolidating its requirements, this facility missed the opportunity to achieve potential cost savings and other efficiencies. To reduce fragmentation and achieve greater efficiencies, DOD should develop a consolidated agency-wide strategy to contract for health care professionals.

Fragmentation can also be a harbinger for overlap or duplication. Overlap occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries. We found overlap among federal programs or initiatives in a variety of areas, such as overlapping benefits between the Disability Insurance and Unemployment Insurance programs. In July 2012, we

³A joint-use contract is a contract used by more than one military department or used at joint military facilities.

⁴GAO, *Defense Health Care: Department of Defense Needs a Strategic Approach to Contracting for Health Care Professionals*, GAO-13-322 (Washington, D.C.: May 28, 2013).

reported that 117,000 individuals received concurrent cash benefit payments in fiscal year 2010 from the Disability Insurance and Unemployment Insurance programs totaling more than \$850 million because current law does not preclude the receipt of overlapping benefits.⁵ Individuals may be eligible for benefit payments from both Disability Insurance and Unemployment Insurance due to differences in the eligibility requirements; however, in such cases, the federal government is replacing a portion of lost earnings not once, but twice.

The President's fiscal year 2015 budget submission proposes to eliminate these overlapping benefits, and during the 113th Congress, bills have been introduced in both the House of Representatives and the Senate containing language to reduce Disability Insurance payments to individuals for the months they collect Unemployment Insurance benefits. According to the Congressional Budget Office (CBO), this action could save \$1.2 billion over 10 years in the Social Security Disability Insurance program. Congress should consider passing legislation to offset Disability Insurance benefit payments for any Unemployment Insurance benefit payments received in the same period.

In other areas of our work, we found evidence of duplication, which occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries. Examples of duplicative, or potentially duplicative, federal efforts include DOD's use of dedicated satellite control operations. We reported in April 2013 that DOD has increasingly deployed dedicated satellite control operations networks as opposed to shared networks that support multiple kinds of satellites.⁶ For example, at one Air Force base in 2013, eight separate control centers operated 10 satellite programs. Dedicated networks can offer some benefits to programs, but they can also be more costly to maintain and have led to a fragmented, and potentially duplicative, approach that requires more infrastructure and personnel to manage when compared with shared networks.

⁵GAO, *Income Security: Overlapping Disability and Unemployment Benefits Should be Evaluated for Potential Savings*, GAO-12-764 (Washington, D.C.: July 31, 2012).

⁶GAO, *Satellite Control: Long-Term Planning and Adoption of Commercial Practices Could Improve DOD's Operations*, GAO-13-315 (Washington, D.C.: April 18, 2013).

<p>While opportunities exist to improve DOD satellite control operations, we identified certain barriers that hinder DOD's ability to increase the use of shared networks, such as the inability to quantify all spending on satellite ground control operations and the absence of DOD-wide guidance or a plan that supports the implementation of alternative methods for performing satellite control operations. These barriers also have hindered DOD's ability to achieve optimal satellite control systems that would result in cost savings in this area. To address the duplication and inefficiencies that arise from dedicated satellite control operations networks, DOD should take actions to improve its ability to identify and then assess the appropriateness of a shared versus dedicated satellite control system.</p> <p>In addition to areas of fragmentation, overlap, and duplication, our 2014 report identified 15 new areas where opportunities exist either to reduce the cost of government operations or to enhance revenue collections for the Treasury and suggest 45 actions that the executive branch and Congress can take to address these issues. These opportunities for executive branch or congressional action exist in a wide range of federal government missions (see table 2).</p>	
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Table 2: Cost Savings and Revenue Enhancement Opportunities Identified in Our 2014 Annual Report, by Mission

Mission	Areas identified
Defense	<p>Combatant Command Headquarters Costs: The Department of Defense could potentially achieve tens of millions or more in cost savings annually if it (1) more systematically evaluates the sizing and resourcing of its combatant commands and (2) conducts a more comprehensive analysis of options for the location of U.S. Africa Command's headquarters.</p>
Energy	<p>Advanced Technology Vehicles Manufacturing Loan Program: Unless the Department of Energy can demonstrate demand for new Advanced Technology Vehicles Manufacturing loans and viable applications, Congress may wish to consider rescinding all or part of the remaining \$4.2 billion in credit subsidy appropriations.</p>
General government	<p>Coin Inventory Management: The Federal Reserve should develop a process to assess factors influencing coin management costs and identify practices that could potentially lead to millions of dollars in revenue enhancement.</p> <p>Collection of Unpaid Federal Taxes: The federal government can increase tax revenue collections by hundreds of millions of dollars over a 5-year time period by identifying and taking actions to limit issuance of passports to applicants, continually levy payments to Medicaid providers, or identify security-clearance applicants with unpaid federal taxes.</p> <p>Federal Real Property Ownership and Leasing: The General Services Administration could potentially achieve millions of dollars in savings by using capital-planning best practices to create a long-term strategy for targeted ownership investments to replace some high-value leases.</p> <p>Online Taxpayer Services: The Internal Revenue Service could potentially realize hundreds of millions of dollars in cost savings and increased revenues by enhancing its online services, which would improve service to taxpayers and encourage greater tax law compliance.</p>

Mission	Areas identified
	Real Estate-Owned Properties: Improvements to the Department of Housing and Urban Development's Federal Housing Administration's disposition and oversight practices for foreclosed properties could produce increased sales proceeds and savings from maintenance and other expenses from holding properties totaling hundreds of millions of dollars per year.
	Reverse Auctions in Government Contracting Including Commercial Items: Due to increasing government use of reverse auctions—with over \$1 billion awarded in contracts in fiscal year 2012—additional guidance may help maximize opportunities to increase competition and improve the accuracy of estimated cost savings.
	Tax Policies and Enforcement: The Internal Revenue Service can realize cost savings and increase revenue by, among other things, identifying continued offshore tax evasion and evaluating whether the agency's streamlined corporate audit process is meeting its goals.
Health	Medicaid Demonstration Waivers: Federal spending on Medicaid demonstrations could be reduced by billions of dollars if the Department of Health and Human Services (HHS) were required to improve the process for reviewing, approving, and making transparent the basis for spending limits approved for Medicaid demonstrations. GAO's work between 2002 and 2013 has shown that HHS approved several demonstrations without ensuring that they would be budget neutral to the federal government.
Income security	Disability Insurance: The Social Security Administration could prevent significant potential cash benefit overpayments in the Disability Insurance program by obtaining more timely earnings data to identify beneficiaries' work activity that is beyond program limits and suspend benefits appropriately.
	Veterans' and Survivors' Benefits: The Department of Veterans Affairs' direct spending could be reduced—by an average of about \$4 million annually, according to the Congressional Budget Office—if new statutory provisions were enacted, namely, a look-back review and penalty period for claimants who transfer assets for less than fair market value prior to applying for pension benefits that are available to low-income wartime veterans who are at least 65 years old or have disabilities unrelated to their military service. This action would help to ensure that only those in financial need receive benefits and make the program more consistent with other federal programs for low-income individuals.
Information technology	Information Technology Investment Portfolio Management: The Office of Management and Budget and multiple agencies could help the federal government realize billions of dollars in savings by taking steps to better implement PortfolioStat, a process to help agencies manage their information technology investments.
Social services	Better Data to Mitigate Foreclosures: The Department of Housing and Urban Development's Federal Housing Administration and the Departments of Veterans Affairs and Agriculture could improve outcomes and better manage the costs associated with foreclosure mitigation efforts with additional data collection and analysis, potentially saving taxpayers millions of dollars on an annual and recurring basis.
	Housing Choice Vouchers Rent Reform: By improving data collection and analysis efforts under the Moving to Work demonstration program, the Department of Housing and Urban Development would provide Congress with information to determine which rent reform option should be implemented program-wide and thereby potentially reduce program funding by millions of dollars or extend housing assistance to additional low-income households or some combination of these outcomes.

Source: GAO.

For example, to achieve cost savings, Congress may wish to consider rescinding all or part of the remaining credit subsidy appropriations to the Advanced Technology Vehicles Manufacturing (ATVM) loan program, unless the Department of Energy (DOE) can demonstrate sufficient demand for new ATVM loans and viable applications. We reported in March 2013 that DOE last issued a loan under this program in March

2011 and was not actively considering any applications for the remaining \$4.2 billion in credit subsidy appropriations under the ATVM loan program.⁷ Also, most applicants and manufacturers we had spoken to indicated that the costs of participating outweigh the benefits to their companies and that problems with other DOE programs have tarnished the ATVM loan program, which may have led to a deficit of applicants. Since our March 2013 report, DOE has received one application seeking approximately \$200 million.

DOE recently stated that it has begun new outreach efforts to potential applicants that will increase awareness and interest in the program and lead to additional applications in 2014. However, DOE has not further demonstrated a demand for ATVM loans, such as new applications that meet all the program eligibility requirements and involve amounts sufficient to justify retaining the remaining credit subsidy appropriations, nor has it explained how it plans to address challenges cited by previous applicants including a burdensome review process. Determining whether program funds will be used is important, particularly in a constrained fiscal environment, as unused appropriations could be rescinded or directed toward other government priorities.

We also identified multiple opportunities for the government to increase revenue collections. In particular, the federal government could increase tax revenue collections by hundreds of millions of dollars over a 5-year period by denying certain privileges or payments to individuals with delinquent federal tax debt. For example, Congress could enable or require the Secretary of State to screen and prevent individuals who owe federal taxes from receiving passports. We found that in fiscal year 2008, passports were issued to about 16 million individuals; of these, over 1 percent collectively owed over \$5.8 billion in unpaid federal taxes as of September 30, 2008.⁸ According to a 2012 CBO estimate, the federal government can save about \$500 million over a 5-year period on the revocation or denial of passports in case of certain federal tax delinquencies.

⁷GAO, *Department of Energy: Status of Loan Programs*, GAO-13-331R (Washington, D.C.: Mar. 15, 2013).

⁸GAO, *Federal Tax Collection: Potential for Using Passport Issuance to Increase Collection of Unpaid Taxes*, GAO-11-272 (Washington, D.C.: March 10, 2011).

Executive Branch and Congress Continue to Make Progress in Addressing Previously Identified Issues

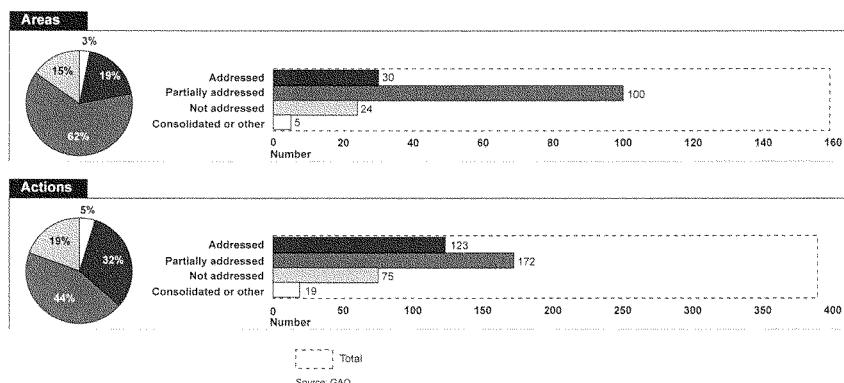
In addition to the new actions identified for this year's annual report, we have continued to monitor the progress that executive branch agencies and Congress have made in addressing the issues we identified in our last three annual reports.⁹ We evaluated progress by determining an overall assessment rating for each area and an individual assessment rating for each action within an area. We found that the executive branch agencies and Congress have generally made progress in addressing the 162 areas we previously identified. As of March 6, 2014, the date we completed our audit work, 19 percent of these areas were addressed, 62 percent were partially addressed, and 15 percent were not addressed (see fig. 1).¹⁰ Within these areas, we presented about 380 actions that the executive branch agencies and Congress could take to address the issues identified. As of March 6, 2014, 32 percent of these actions were addressed, 44 percent were partially addressed and 19 percent were not addressed.¹¹

⁹Our findings on this progress are reported in GAO's *Action Tracker*, a publicly accessible website that includes progress updates and assessments of the actions from this series of reports.

¹⁰In assessing overall progress for an area, we determined that an area was "addressed" if all actions in that area were addressed; "partially addressed" if at least one action needed in that area showed some progress toward implementation but not all actions were addressed; and "not addressed" if none of the actions needed in that area were addressed or partially addressed. Four areas reported in 2011 and one area reported in 2012 were not assessed this year because of additional audit work or other information we considered, and we have categorized those areas as "consolidated or other." Additionally, we did not provide an overall assessment for two areas reported in 2011 and one area reported in 2012 because we added new actions for which progress has not yet been assessed to those areas.

¹¹For congressional actions, we applied the following criteria: "Addressed" means relevant legislation has been enacted and addresses all aspects of the action needed; "partially addressed" means a relevant bill has passed a committee, the House of Representatives, or the Senate, or relevant legislation has been enacted but only addressed part of the action needed; and "not addressed" means a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. For executive branch actions, "addressed" means implementation of the action needed has been completed; "partially addressed" means the action needed is in development, or started but not yet completed; and "not addressed" means the administration, the agencies, or both have made minimal or no progress toward implementing the action needed. In addition, 19 actions we identified in 2011 and 2012 were not assessed this year due to additional audit work or other information we considered, and we have categorized those actions as "consolidated or other."

Figure 1: Assessment of 2011, 2012, and 2013 Areas and Actions Needed, as of March 6, 2014

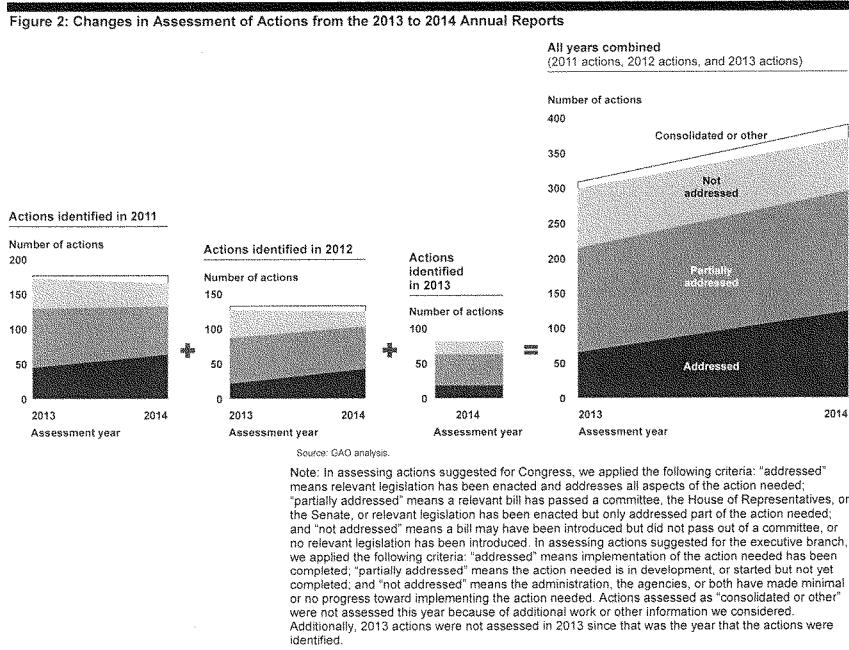


Note: In assessing overall progress for an area, we determined that an area was "addressed" if all actions in that area were addressed; "partially addressed" if at least one action needed in that area showed some progress toward implementation but not all actions were addressed; and "not addressed" if none of the actions needed in that area were addressed or partially addressed.

In assessing actions suggested for Congress, we applied the following criteria: "Addressed" means relevant legislation has been enacted and addresses all aspects of the action needed; "partially addressed" means a relevant bill has passed a committee, the House of Representatives, or the Senate, or relevant legislation has been enacted but only addressed part of the action needed; and "not addressed" means a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. In assessing actions suggested for the executive branch, we applied the following criteria: "Addressed" means implementation of the action needed has been completed; "partially addressed" means the action needed is in development, or started but not yet completed; and "not addressed" means the administration, the agencies, or both have made minimal or no progress toward implementing the action needed.

Actions and areas assessed as "consolidated or other" were not assessed this year because of additional work or other information we considered. Additionally, we did not provide an overall assessment for two areas reported in 2011 and one area reported in 2012 because we added new actions for which progress has not yet been assessed to those areas.

Congress and executive branch agencies have made progress toward addressing our identified actions, as shown in figure 2. In particular, an additional 58 actions have been assessed as addressed over the past year. These addressed actions include 19 actions identified in 2011, 21 actions identified in 2012, and 18 actions identified in 2013.



The following examples illustrate the progress that has been made over the past year:

- *Farm program payments:* In our 2011 annual report, we stated that Congress could save up to \$5 billion annually by reducing or eliminating direct payments. Direct payments are fixed annual payments to farmers based on a farm's history of crop production. Farmers received them regardless of whether they grew crops and even in years of record income. The Agricultural Act of 2014 eliminated direct payments and should save approximately \$4.9 billion

annually from fiscal year 2015 through fiscal year 2023, according to CBO.¹²

- *Passenger aviation security fees:* In our 2012 annual report, we presented options for adjusting the Transportation Security Administration's (TSA) passenger security fee—a uniform fee on passengers of U.S. and foreign air carriers originating at airports in the United States—to offset billions of dollars in civil aviation security costs. The Bipartisan Budget Act of 2013, enacted on December 26, 2013, modifies the passenger security fee from its current per enplanement structure (\$2.50 per enplanement with a maximum one-way-trip fee of \$5.00) to a structure that increases the passenger security fee to a flat \$5.60 per one-way trip, effective July 1, 2014.¹³ Pursuant to the act, collections under this modified fee structure will contribute to deficit reduction as well as to offsetting TSA's aviation security costs.¹⁴ Specifically, the act identifies \$12.6 billion in fee collections that, over a 10-year period beginning in fiscal year 2014 and continuing through fiscal year 2023, will contribute to deficit reduction.¹⁵ Fees collected beyond those identified for deficit reduction are available, consistent with existing law, to offset TSA's aviation security costs. According to the House of Representatives and Senate Committees on the Budget, and notwithstanding amounts dedicated for deficit reduction, collections under the modified fee structure will offset about 43 percent of aviation security costs,

¹²In February 2014, CBO estimated the reduction in spending to be about \$4.5 billion annually from 2015 through 2023. However, according to a CBO representative, this amount included an assumption that automatic spending cuts, known as sequestration, would continue indefinitely into the future. The Bipartisan Budget Act of 2013 established new discretionary spending limits that reduced the level of automatic spending reductions for 2014 and 2015. Pub. L. No. 113-67, 127 Stat. 1165 (2013). CBO estimated that without sequestration, the elimination of direct payments would save approximately \$4.9 billion annually from 2015 through 2023.

¹³See Pub. L. No. 113-67, § 601(b), 127 Stat. at 1165, 1187 (amending 49 U.S.C. § 44940(c)).

¹⁴In addition, the first \$250 million in fees collected each fiscal year are, consistent with existing law, to be deposited in the Aviation Security Capital Fund for use in supporting aviation security-related airport capital improvement projects or for other purposes specified in statute. See 49 U.S.C. §§ 44923(h), 44940(i).

¹⁵See 49 U.S.C. § 44940(i) (identifying, among other things, the specific amount to be credited as offsetting receipts and deposited in the general fund of the U.S. Treasury each fiscal year, 2014 through 2023).

compared with the approximately 30 percent currently offset under the existing fee structure.¹⁶

- *Combat uniforms:* In our 2013 annual report, we noted that DOD employed a fragmented approach for acquiring combat uniforms and could improve efficiency, better protect servicemembers, and realize cost savings through increased collaboration among the military services. Over the past year, DOD and Congress addressed all three actions that we identified. In September 2013, DOD developed and issued guidance on joint criteria that will help to ensure that future service-specific uniforms will provide equivalent levels of performance and protection. In December 2013, a provision in the National Defense Authorization Act for Fiscal Year 2014 established as policy that the Secretary of Defense shall eliminate the development and fielding of service-specific combat and camouflage utility uniforms in order to adopt and field common uniforms for specific environments to be used by all members of the armed forces. Subject to certain exceptions, the provision also prohibits the military departments from adopting new pattern designs or uniform fabrics unless they will be adopted by all services or the uniform is already in use by another service.¹⁷

We estimate that executive branch and congressional efforts to address these and other actions from fiscal year 2011 through fiscal year 2013 have resulted in over \$10 billion in realized cost savings to date, and

¹⁶In addition to the passenger security fee, TSA also currently imposes a fee on air carriers—the Aviation Security Infrastructure Fee—to further offset the costs of aviation security. See 49 U.S.C. § 44940(a)(2). Pursuant to the Bipartisan Budget Act, TSA's authority to collect this fee will expire effective October 1, 2014. See Pub. L. No. 113-67, § 601(a), 127 Stat. at 1187.

¹⁷See Pub. L. No. 113-66, § 352(a), (b) (2013). In addition, DOD must issue implementing guidance requiring the military departments to, among other things, ensure that new uniforms meet geographic and operational requirements of the commanders of combatant commands and continually work together to assess and develop new uniform technologies to improve warfighter survivability. See § 352(f).

projections of these efforts have estimated that billions of dollars more in savings will accrue over the next 10 years.¹⁸

Although Congress and executive branch agencies have made notable progress toward addressing the actions we have identified, further steps are needed to fully address the remaining actions, as shown in table 3. More specifically, over 60 percent of actions directed to Congress and executive branch agencies identified in 2011, 2012, and 2013 remain partially addressed or not addressed.

Table 3: Status of 2011, 2012, and 2013 Actions Directed to Congress and the Executive Branch, as of March 6, 2014

Status	Congress ^a		Executive branch ^b	
	Number of actions	Percentage	Number of actions	Percentage
Addressed	18	27	105	33
Partially addressed	10	15	162	50
Not addressed	32	48	43	13
Consolidated or other	6	9	13	4

Source: GAO.

Notes: In assessing actions suggested for Congress, we applied the following criteria: "Addressed" means relevant legislation has been enacted and addresses all aspects of the action needed; "partially addressed" means a relevant bill has passed a committee, the House of Representatives, or the Senate, or relevant legislation has been enacted but only addressed part of the action needed; and "not addressed" means a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. In assessing actions suggested for the executive branch, we applied the following criteria: "Addressed" means implementation of the action needed has been completed; "partially addressed" means the action needed is in development, or started but not yet completed; and "not addressed" means the administration, the agencies, or both have made minimal or no progress toward implementing the action needed. Actions assessed as "consolidated or other" were not assessed this year because of additional work or other information we considered.

Percentages may not add to 100 percent because of rounding.

^aCongress took steps that fully addressed one action and partially addressed another action directed to executive branch agencies.

^bExecutive branch agencies took steps that addressed three actions directed to Congress.

Sustaining momentum and making significant progress on our suggested actions for reducing, eliminating, or better managing fragmentation,

¹⁸Our estimate of about \$10.7 billion in realized savings to date includes savings from the Domestic Ethanol Production, Baggage Screening Systems, and Air Force Food Service areas. It does not include projected savings, revenue enhancements, or cost avoidances from the Farm Program Payments, Overseas Defense Posture, Auto Recovery Office, or Passenger Aviation Security Fees areas because those financial benefits have not yet been fully realized.

overlap, or duplication or achieving other potential financial benefits cannot occur without demonstrated commitment by executive branch leaders and continued oversight by Congress. A number of the issues that we have identified are complex, and implementing many of the actions will take time and sustained leadership. As our work has shown, committed leadership is needed to overcome the many barriers to working across agency boundaries, such as agencies' concerns about protecting jurisdiction over missions and control over resources or incompatible procedures, processes, data, and computer systems.¹⁹ Without increased or renewed leadership focus, agencies may miss opportunities to improve the efficiency and effectiveness of their programs and save taxpayers' dollars.

As we have previously reported, addressing the issues identified in our annual reports could lead to tens of billions of dollars of savings. Table 4 highlights selected opportunities that could result in cost savings or enhanced revenues.

Table 4: Selected Areas with Associated Cost-Savings and Revenue-Enhancement Opportunities in 2011 – 2013 Annual Reports

Annual report	Areas identified
2011	Enterprise Architecture (Area 14): Well-defined and implemented enterprise architectures in federal agencies can lead to consolidation and reuse of shared services and elimination of antiquated and redundant mission operations, which can result in significant cost savings. For example, the Department of the Interior demonstrated that it had used enterprise architecture to modernize agency information technology operations and avoid costs through enterprise software license agreements and hardware procurement consolidation, resulting in financial savings of at least \$80 million. In addition, Health and Human Services will achieve savings and cost avoidance of over \$150 million between fiscal years 2011 to 2015 by leveraging its enterprise architecture to improve its telecommunications infrastructure.
2011	Federal Data Centers (Area 15): Consolidating federal data centers provides an opportunity to improve government efficiency and achieve cost savings of up to \$3 billion over 10 years.
2011	Oil and Gas Resources (Area 45): Improved management of federal oil and gas resources could result in approximately \$2 billion in additional revenue over 10 years.

¹⁹In addition, we have previously identified key practices that can help federal agencies enhance and sustain their collaborative efforts along with key features to consider as they implement collaborative mechanisms and work to address these actions. See GAO, *Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies*, GAO-06-15 (Washington, D.C.: Oct. 21, 2005) and *Managing for Results: Key Considerations for Implementing Interagency Collaborative Mechanisms*, GAO-12-1022 (Washington, D.C.: Sept. 27, 2012).

Annual report	Areas identified
2011	Social Security Offsets (Area 80): Social Security needs data on pensions from noncovered earnings to better enforce offsets and ensure benefit fairness, which could result in an estimated \$2.4 billion to \$2.9 billion in savings over 10 years.
2012	Medicare and Medicaid Fraud Detection Systems (Area 46): The Centers for Medicare & Medicaid Services need to ensure widespread use of its fraud detection systems to better position itself to determine and measure progress toward achieving the \$21 billion in financial benefits that the agency projected as a result of implementing these systems.
2012	Immigration Inspection Fee (Area 49): The air and sea passenger immigration inspection user fee should be reviewed and adjusted to fully recover the cost of the air and sea passenger immigration inspection activities conducted by the Department of Homeland Security's U.S. Immigration and Customs Enforcement and U.S. Customs and Border Protection rather than using general fund appropriations; In 2012 this could have resulted in a reduction of about \$175 million in appropriated funds used for inspection services.
2012	Domestic Disaster Assistance (Area 51): The Federal Emergency Management Agency (FEMA) could reduce the costs to the federal government related to major disasters declared by the President by updating the principal indicator on which disaster funding decisions are based and better measuring a state's capacity to respond without federal assistance. For fiscal years 2004 through 2011, had FEMA adjusted the indicator for increases in inflation or personal income since 1986, fewer jurisdictions would have met the eligibility criteria for federal assistance and federal costs could have been as much as \$3.59 billion lower.
2013	Agricultural Quarantine Inspection Fees (Area 18): The United States Department of Agriculture's Animal and Plant Health Inspection Service could have achieved as much as \$325 million in savings (based on fiscal year 2011 data, as reported in GAO's March 2013 report) by more fully aligning fees with program costs; although the savings would be recurring, the amount would depend on the cost-collections gap in a given fiscal year and would result in a reduced reliance on U.S. Customs and Border Protection's annual Salaries and Expenses appropriations used for agricultural inspection services.
2013	Crop Insurance (Area 19): To achieve up to \$1.2 billion per year in cost savings in the crop insurance program, Congress could consider limiting the subsidy for premiums that an individual farmer can receive each year, reducing the subsidy for all or high-income farmers participating in the program, or some combination of limiting and reducing these subsidies.
2013	Checked Baggage Screening (Area 28): By reviewing the appropriateness of the federal cost share the Transportation Security Administration applies to agreements financing airport facility modification projects related to the installation of checked baggage screening systems, the Transportation Security Administration could, if a reduced cost share was deemed appropriate, achieve cost efficiencies of up to \$300 million by 2030 and be positioned to install a greater number of optimal baggage screening systems than it currently anticipates.
2013	Tobacco Taxes (Area 31): Federal revenue losses were as much as \$615 million to \$1.1 billion between April 2009 and 2011 because manufacturers and consumers substituted higher-taxed smoking tobacco products with similar lower-taxed products. To address future revenue losses, Congress should consider modifying tobacco tax rates to eliminate significant tax differentials between similar products.

Source: GAO.

Better Data and a Focus on Outcomes Are Essential to Improving Efficiency and Effectiveness

Even with sustained leadership, addressing fragmentation, overlap, and duplication within the federal government is challenging because it may require agencies and Congress to re-examine within and across various mission areas the fundamental structure, operation, funding, and performance of a number of long-standing federal programs or activities with entrenched constituencies. As we have previously reported, these challenges are compounded by a lack of good data.

In particular, we have found that the lack of a comprehensive list of federal programs and reliable budget information makes it difficult to identify, assess, and address potential fragmentation, overlap, and duplication. Currently, no comprehensive list of federal programs exists, nor is there a common definition for what constitutes a federal program. We have also reported instances where agencies could not isolate budgetary information for some programs because the data were aggregated at higher levels. For example, in 2012 we reported that agencies were not able to provide complete and reliable federal funding information on many of the 94 nonfederal sector green building initiatives. According to agency officials, many of the initiatives are part of broader programs, and the agencies do not track green building funds separately from the funds for other activities.

Without knowing the scope of programs or the full cost of implementing them, it is difficult for executive branch agencies or Congress to gauge the magnitude of the federal commitment to a particular area of activity or the extent to which associated federal programs are effectively and efficiently achieving shared goals. Moreover, the lack of reliable, detailed budget information makes it difficult to estimate the cost savings that could be achieved should Congress or agencies take certain actions to address identified fragmentation, overlap, and duplication. Absent this information, Congress and agencies cannot make fully informed decisions on how federal resources should be allocated and the potential budget trade-offs.

In addition, we have called attention to the need for improved and regular performance information. The regular collection and review of performance information, both within and among federal agencies, could help executive branch agencies and Congress determine whether the return on federal investment is adequate and make informed decisions about future resource allocations. However, as we previously noted, our annual reports on fragmentation, overlap, and duplication highlight several instances in which executive branch agencies do not collect necessary performance data.

Effective implementation of the framework originally put into place by the Government Performance and Results Act of 1993 (GPRA)²⁰ and significantly enhanced by the GPRA Modernization Act of 2010 (GPRAMA)²¹ could help clarify desired outcomes, address program performance spanning multiple organizations, and facilitate future actions to reduce, eliminate, or better manage fragmentation, overlap, and duplication. In particular, GPRAMA establishes a framework aimed at taking a more crosscutting and integrated approach to focusing on results and improving government performance. The crosscutting approach required by the act will provide a much needed basis for more fully integrating a wide array of federal activities as well as a cohesive perspective on the long-term goals of the federal government that is focused on priority policy areas. It could also be a valuable tool for re-examining existing programs government-wide and for considering proposals for new programs.

However, the usefulness of these requirements hinges on the effective implementation of the act's provisions. In our June 2013 review of initial implementation, we reported that the executive branch needed to more fully implement GPRAMA to address pressing governance challenges, such as addressing fragmentation, overlap, and duplication.²² Moreover, our ongoing work continues to find opportunities to improve implementation of the act. For example, GPRAMA requires the Office of Management and Budget (OMB) to develop an inventory of federal programs.²³ OMB directed 24 large federal agencies to develop and publish inventories of their programs in May 2013. However, our preliminary review of these initial inventories identified concerns about the usefulness of the information being developed and the extent to which it might be able to assist executive branch and congressional efforts to identify and address fragmentation, overlap, and duplication. For

²⁰Pub. L. No. 103-62, 107 Stat. 285 (1993).

²¹Pub. L. No. 111-352, 124 Stat. 3866 (2011).

²²GAO, *Managing for Results: Executive Branch Should More Fully Implement the GPRA Modernization Act to Address Pressing Governance Challenges*, GAO-13-518 (Washington, D.C.: Jun. 26, 2013).

²³GPRAMA requires OMB to compile and make publicly available a comprehensive list of all federal programs identified by agencies, and to include the purposes of each program, how it contributes to the agency's mission, and recent funding information. 31 U.S.C. § 1122(a).

example, OMB's guidance for developing the inventories provided agencies with flexibility to define their programs by such factors as outcomes, customers, products/services, organizational structure, and budget structure. As a result, agencies took various approaches to define their programs. Many used their budget structure while others used different approaches, such as identifying programs by related outcomes or customer focus. The variation in definitions across agencies limits comparability among similar programs.²⁴

Proposed legislation could help address some of the data limitations we have identified. For example, the proposed Digital Accountability and Transparency Act is intended to improve the accountability and transparency of federal spending data (1) by establishing government-wide financial data standards so that data are comparable across agencies and (2) by holding agencies more accountable for the quality of the information disclosed.²⁵ Such increased transparency provides opportunities for improving the efficiency and effectiveness of federal spending and improving oversight to prevent and detect fraud, waste, and abuse of federal funds.

In conclusion, identifying and addressing instances of fragmentation, overlap, and duplication is challenging. While some progress has been made, more work remains. We plan to conduct further analysis to look for additional or emerging instances of fragmentation, overlap, and duplication and opportunities for cost savings or revenue enhancement. Likewise, we will continue to monitor developments in the areas we have already identified in this series. We stand ready to assist this and other committees in further analyzing the issues we have identified and evaluating potential solutions.

Chairman Issa, Ranking Member Cummings, and Members of the Committee, this concludes my prepared statement. I would be pleased to answer questions.

²⁴We plan to further explore these issues and report later this spring on potential ways that the federal program inventory might be improved going forward.

²⁵H.R. 2061, 113th Cong. (2013); S. 994, 113th Cong. (2014).

Chairman ISSA. Thank you. First of all, I want to thank you for this initiative. This really is making a difference. I would note, if you would put that slide back up, that the partially addressed, I note that some of that is moved out of committee; some of that is the Executive Branch has partially done something; some of it is that it moved out of one House, but not the other.

When I look at the cross-tabs, I am very disappointed in the work we have done in the Congress; we have a strong tendency to have half done it in the Congress. And that sort of brings up a real point here, which is in order to assert these things, do you believe that we should begin moving packages of reforms out of the Congress, bundling, if you will, some of these duplications so as to make them bigger? Because many of the partially addressed are very minute and they are just not being picked up in one House or the other.

Mr. DODARO. I think that is a very viable option, Mr. Chairman. I would note there have been separate bills introduced along the lines of what you are talking about, for example, to close this loop-hole between disability and the unemployment benefits being able to be received at the same time. There are other parts of the recommendations that we made where there has been bills introduced and even the President has supported them in his budget submission.

So there is broad agreement. I think packaging them together as you suggest is a really good idea, and that is what in effect happened with the two-year budget deal. A number of these things were packaged. Some of them were recommendations from this report, for example, to increase the airport fees. That helped offset the need to have the sequester and avoid the broad-based, across-the-board cuts. So I am very supportive of what you suggest and whatever we can do to work with the Congress we would be happy to do so.

Chairman ISSA. Well, perhaps the most important thing you can do is, once we work together to put together some packages, one, be willing to meet with each of the committees of jurisdiction, because as we package them they tend to go through more committees before they go to the floor; and, secondly, quite frankly, I need you to aggressively work with the CBO, because often what we believe is a savings is very hard to score, and the other day there was a vote on dynamic scoring, which, of course, does give the opportunity to assume more of this will actually occur rather than, as the CBO often does with these, we pass it, but unless it closes it on day one, it assumes that these legacy duplications will continue to occur. So that is sort of an inside baseball, but since we are all in the Leg Branch, hopefully we can do that.

What would you say is the greatest growth area in duplication in this year? You obviously have ones that are recurring, ones that are legacy. But what concerns you the most as far as duplication growth in Government?

Mr. DODARO. I think the areas, now that we have covered quite a bit of programs, is in the Defense area still. There is a lot of duplication. The services have their own health systems. We point out another one this year that we identified in the Army material command of duplicative information systems that are costing millions

of dollars to maintain. I mentioned the satellite control operations. We had one about the potential to streamline ground control operations for satellites and electronic warfare. And the list goes on with the Defense Department and I think it is particularly important in that area. So I would say that is the area that we continue to identify the most opportunities, and it is reflected in our report this year.

Chairman ISSA. I want to thank you. Of course, we don't have specific jurisdiction over what the Armed Services Committee has, but it is interesting that when you do something like the Joint Strike Fighter, what it means is that multiple branches get together and agree to have a common different aircraft.

The ranking member mentioned Congresswoman Duckworth's proposal on uniformity of uniforms. Do you want to give us an update on how you view that? Because it certainly has not occurred. And if you are familiar with it, also comment on the large amount of civilian contractors who also get uniforms provided, but we essentially pay for a myriad of different uniforms there.

Mr. DODARO. Yes. We are pleased with the actions that have been taken by the Department of Defense and by the Congress, as Congressman Cummings mentioned in the National Defense Authorization Act, to require it. DOD, their requirements would not only eliminate the duplication, but, as I mentioned last year, provide equivalent level of protection to our armed forces, which is more important than the money, even, in many respects.

Chairman ISSA. You mean distinctive and invisible is an oxymoron? Distinctive, but invisible, as they often try to say the digital pattern somehow can all be seen easily, but not in fact be seen by the enemy?

Mr. DODARO. In any sport, everybody on the same team ought to have the same uniform, and in this case this will ensure that that happens, and it will ensure that it happens very efficiently, as well, with the changes in the Defense Authorization bill.

Now, one thing that we have learned over the years as it relates to the Department is to make sure they effectively implement these new provisions. And they have said that they will, so we will be following up. I also would note that the Army canceled its effort to develop its own uniform, which is about, I believe, about \$4 billion that would be potentially saved, depending upon what their future actions would be.

Chairman ISSA. Thank you.

As I recognize the ranking member, I think back to when I was a young lieutenant and I wondered if the most valuable asset we would have in a combat was our forward air controller. And if he had a specific uniform that was easy for the snipers to pick out, whether I was safer as a result, but our mission was less safe. So I join with you in realizing that uniform in a combat situation should be as indistinguishable by the enemy as possible.

I recognize the ranking member.

Mr. CUMMINGS. Mr. Dodaro, the report released today identified the management of Federal information technology investments as an area of potential cost savings. GAO estimates that the Federal Government could save \$5.8 billion by fully implementing the Administration's PortfolioStat. PortfolioStat was initiated by the Of-

fice of Management in 2012 to help agencies make better decisions about their IT investments. Can you explain how PortfolioStat helps agencies reduce wasteful spending?

Mr. DODARO. Yes. It provides a lot more information about the entire range of IT investments that are in the system, as opposed to the dashboard effort which focuses on individual major high-risk systems. Joel Willemsen is in charge of our IT practice; he can elaborate, Mr. Cummings.

Mr. WILLEMSSEN. Thank you, Ranking Member Cummings. It really is an initiative to look at commodity IT within the agencies. Commodity IT not necessarily being those mission-critical systems, but systems like enterprise IT systems, whether it be email or IT security; IT infrastructure, mainframes, desktop systems; and then business systems, financial management, human resources; and looking at them across the department, identifying where those kinds of systems are siloed, and then putting together plans to consolidate them and gain efficiencies, and with those efficiencies billions in savings.

Mr. CUMMINGS. Well, GAO reports that OMB's original cost savings estimates for PortfolioStat were significantly lower than they should have been because data from the Department of Defense and Department of Justice was not included in OMB's estimate. Specifically, OMB estimated a potential cost savings of \$2.53 billion, while GAO estimates that the program could save nearly \$6 billion through fiscal year 2015.

GAO reports that the reason DOD and DOJ were left out of OMB's estimate was because those agencies did not report their plans in the template that OMB was using to compile its overall estimate. Do you know why DOD and DOJ failed to properly report their data?

Mr. WILLEMSSEN. OMB went with, at the time, what it had without fully checking the reliability of the data. Accordingly, we have recommendations outstanding to both OMB and to the agencies to examine the reports before publicly disclosing them and disclose with that public release any data limitations that are present so that, for example, in the situation you mentioned, where DOD and DOJ were excluded, let's identify those exclusions so that we know what the total potential savings would be.

Mr. CUMMINGS. So did OMB provide a reason for why it didn't require DOD and DOJ to report their estimated cost savings before OMB publicly disclosed the overall?

Mr. WILLEMSSEN. We identified the deficiency for them, so we did not really ask the question; we wanted to move forward and say let's make sure this doesn't happen again pursuant to the recommendation. You have to check the report and disclose any limitations in the data.

Mr. CUMMINGS. The GAO reported in November 2013 that OMB officials had not yet decided what information from the PortfolioStat process would be made public. GAO's report stated, "Until OMB publicly reports data, agencies submit on their commodity IT consolidation efforts, including planned and actual cost savings, it will be more difficult for stakeholders, including Congress and the public, to monitor agencies' process and hold them accountable for reducing duplication and achieving cost savings."

GAO recommended that OMB improve the transparency and accountability of PortfolioStat. Specifically, the GAO recommended that OMB publicly disclose planned and actual data consolidation efforts and cost savings for each agency.

What is the status of OMB's implementation of GAO's recommendation for greater transparency in the PortfolioStat process?

Mr. WILLEMSSEN. They have not yet implemented that recommendation. We continue to push OMB on it. We point to the dashboard as an excellent example of the value of transparency of identifying investments that are at risk and actions being taken to either terminate those investments or turn them around. Similar action could be taken with PortfolioStat in identifying the savings. Most importantly, one of our concerns is following through on the savings opportunities. It is one thing to estimate the savings; it is quite another to actually realize them. One of our concerns is making sure the pressure is sustained on that implementation. It is one reason we are very supportive of your FITARA Act, because irrespective of what efforts on the implementation side may wane in the Executive Branch, you would have legislation on your side to ensure that those efforts would still go forward.

Mr. CUMMINGS. Thank you.

Chairman ISSA. I thank the gentleman.

We now recognize the gentleman from Florida, Mr. Mica.

Mr. MICA. Thank you.

Mr. DODARO, welcome back. A couple of questions. One of the things I found in the report that we have is I guess we started this about four years ago, these reports, and there have been over 300 recommendations. I think you just added 26 or something like that, new ones. But only about 20 percent of them have been implemented. There is about 50 percent something has been done. That seems like a small number implemented, don't you agree?

Mr. DODARO. I definitely agree more should have been done by this point in time. I am hopeful that it will—

Mr. MICA. It is hard to get them moving. Refresh me, if you can, on the process. Now, you are reporting to us. You also report to each agency the findings.

Mr. DODARO. Yes.

Mr. MICA. And then what is the follow-up?

Mr. DODARO. Every year we follow up on actions that the Executive Branch has taken on our recommendations, and with the Congress where we have recommended statutory changes.

You know, Mr. Chairman and ranking member, it might be a good idea if we looked at—we know how much can be saved, and there is very little of this implemented. It might be interesting to put an act in that gave them more power that the amount would be subtracted some way from their budget or something, that we take some automatic action.

Right now, as you go plead with them, do you present this to the authorizers and the Appropriations Committee?

Mr. DODARO. Yes.

Mr. MICA. You do? Okay. And they may or may not institute it through legislative means. But it doesn't seem like you have a hammer to get it done, and I think we need to put some of those savings, or there be some penalty on the agency; some motivation,

light a fire under their fanny. It is a highly technical term, but something to get them to move on this.

I was stunned to see we are up to \$84 billion in IT in your report.

Mr. DODARO. Yes.

Mr. MICA. I thought the last figure I saw was \$64 billion. The last estimate I had, if we consolidate, every time I get a report they find more data centers. I think they started out with 2,000; we are 6,000, or I don't know what the latest number. But they estimated at one of the hearings that about half of the amount, that was \$64 billion, now I don't know if it is the same for the \$84 billion, is wasted or could be saved. Is that still an actual assumption? Are we in the same neighborhood?

Mr. WILLEMSSEN. I probably would state that—

Mr. MICA. That is a year, right? Annual?

Mr. WILLEMSSEN. It is about \$80 billion a year reported, but, as we testified last year, that is an understated figure.

Mr. MICA. It is huge. Also the same thing; everybody wants their own to get them to consolidate. It is just a bear to try to get them to do that.

I just was thinking, too, now, me and Obama aren't on the best terms, but he has said he doesn't have to consider Congress; he has his mighty pen and he does executive orders. I just got a release; he just did two today. Has he done any of these by executive order?

Mr. DODARO. I don't know if it is by executive order. Some of the actions have been taken by the Executive Branch.

Mr. MICA. Well, it might be something. But do you give a copy to the White House, too?

Mr. DODARO. Oh, sure. Sure. And we make these all available to OMB. Actually, OMB put a guidance out that all the agencies are supposed to tell OMB what they are doing to address GAO's recommendations in these reports.

Mr. MICA. Okay, a couple things. You know my report, The Federal Government Must Stop Sitting on its Assets, we produced some years ago, and in that I list a lot of real property or vacant property that sits vital. Over the past two years I have asked the Office of Budget and Management for access to the Federal real property database so we can analyze and evaluate how efficiently GSA is using facilities. So far I have received no cooperation.

Has GAO been granted access to the database?

Mr. DODARO. We have looked at the database. We found—

Mr. MICA. Yes, but we found data in, and if it is garbage in, it is garbage out.

Mr. DODARO. Right.

Mr. MICA. We found that the information they give—they didn't have an inventory of the buildings or properties. Then when we looked at some of the properties, some of the properties were derelict, defunct, or even taken off the rolls. You find the same things?

Mr. DODARO. Yes, we found a lot of inaccuracies with the database.

Mr. MICA. Billions of dollars in that area. We just had the post office in here. God forbid they should be doing expedited disposal of their billions of dollars worth of property.

Well, you do have information, then, from the database. We don't have that; I have asked for it. And you found the same thing, that the information we have from that is not accurate. I see a lady. What is her name, raising her hand? I might want to call on her.

Identify yourself for the mob here, please.

Ms. SIGGERUD. Kate Siggerud.

Mr. MICA. Can you testify to that fact? Give me your name again; I didn't catch it.

Ms. SIGGERUD. Kate Siggerud.

Mr. MICA. Okay. We may want to follow up with you.

Ms. SIGGERUD. There we go. That helps, doesn't it? Kate Siggerud. That is much better.

Yes. In fact, we did a report focused specifically on the quality of the data in that database in 2012, I believe it was; made a number of recommendations, and we would be happy to provide some information for the record on what has been implemented.

Mr. MICA. I will have a staffer follow up with you. Appreciate that.

Chairman ISSA. I thank the gentleman.

We now go to the gentlelady from New York.

Mrs. MALONEY. Welcome. Nice to see you. How much do we spend in Federal contracts? I think two years ago it was \$435 billion. What is the number for this year in Federal contracts?

Mr. DODARO. Paul Francis is in charge of all our acquisition work across Government. You are in the ballpark. Paul?

Mr. FRANCIS. Yes. It has come down. It was over \$500 billion. I think in the last year it is just under 500.

Mrs. MALONEY. Last year. So now it is a little over \$500 billion?

Mr. FRANCIS. Little under.

Mrs. MALONEY. Under \$500 billion.

Mr. FRANCIS. Yes.

Mrs. MALONEY. Okay. And that is purchasing things. What about the contracts we have with the military and Defense and everything, the people who help us in Afghanistan, independent contractors, are they part of that \$500 billion?

Mr. FRANCIS. Yes. Department of Defense has about two-thirds of that, so think about \$300 billion in rough figures for Department of Defense and the rest for the civilian agencies.

Mrs. MALONEY. Well, I just came from a bill signing at the White House. Today is Equal Pay Day, and there will be a vote on equal pay bill in the Senate tomorrow, and the President signed two, really, contract bills, one that makes it against the law for Federal contractors to retaliate against employees if they tell another employee what their pay is. Did you know that that was the law now, that if you told someone your pay, you would be fired? You didn't know that? But that is the law now. So that would change that.

The other would call upon the contractors, the \$500 billion contractors to put together an assessment of what people are paid in like jobs to see if there is pay discrimination.

Are you supportive of those two initiatives?

Mr. DODARO. We haven't really looked at them, but—

Mrs. MALONEY. It is an Executive Order, so it is already in effect.

If you were a czar here and you could come out with the top three things that you would do to make Government more efficient

based on the report that you just did, what would they be? And what would the savings be for the number one, number two, number three?

Mr. DODARO. Well, first of all, I think one thing that needs to be done, the chairman alluded to it before, is passage of the DATA Act. I think the DATA Act is one of the biggest single things that could be done in order to provide more transparency on the costs of these program activities. So that being said—

Mrs. MALONEY. Exactly what would the DATA Act do?

Mr. DODARO. It would standardize the data so you would be able to compare data across agencies, which you can't do right now. It would also provide more consistent information and at a lower program spending level that we found to be a big obstacle in us identifying additional savings opportunities.

Mrs. MALONEY. There are a number of things that I mentioned earlier that could save billions of dollars. One is to try to collect unpaid Federal taxes. These are taxes that are already due to the Federal Government, and to potentially not issue passports to people who have delinquent taxes; not pay Medicaid providers who aren't paying their taxes. There are recommendations that we have had in order—

Mrs. MALONEY. We pass bills all the time saying that you cannot give a Federal contract to anyone who hasn't paid their taxes. I think it was the chairman's bill; it was one of the bills coming out of this committee. So right now the law is you can't give a contract to someone who doesn't pay their taxes. In other words, they get the contract, then they don't pay their taxes?

Mr. DODARO. Well, what happens is right now Medicaid is considered to be a State payment, not a Federal payment, so Congress has to pass a law to say that that particular area gets dealt with. That happens for Medicare providers, but not for Medicaid providers, even though the Federal Government is underwriting most of the Medicaid costs to the programs. Of course, the other areas is passports.

We have also recommended equalizing taxes on different forms of tobacco. That is about almost a billion dollars a year that could be gained in that area. We have mentioned two or \$3 billion that CBO has already estimated on Social Security offsets. These are areas where the State and local government employees don't necessarily pay into the Social Security system unless the IRS reports the Social Security Administration these earnings that aren't to be covered aren't considered, so the CBO estimates it could be two to \$3 billion a year in providing additional savings in those areas.

So we have a lot—and none of those areas involve any cuts in services to anybody; they are all dealing with gaining revenues. We have a whole collection of recommendations on fees and immigration, agricultural quarantine, and other things that should be more appropriately covering—

Mrs. MALONEY. On immigration, people pay the fees when they come in, so how do you have a collection—

Mr. DODARO. Well, the fees aren't enough to cover the costs the way they are supposed to, so we say they ought to better match the fees. Right now appropriated funds are being used, when fees should be raised in order to do that.

Mrs. MALONEY. What is the worst agency in terms of management?

Mr. DODARO. Well, in our reports we have recommended changes in virtually every major Federal agency across the Federal Government, so everybody has issues that need to be dealt with. I mentioned earlier that the Department of Defense has a number of areas in fragmentation overlap and duplication.

Mrs. MALONEY. Well, thank you. My time is up.

Chairman ISSA. I thank the gentlelady and I thank the ranking member for pointing out executive order signing is not, in fact, a law signing.

With that, we go to the gentleman from Tennessee, Mr. DesJarlais.

Mr. DESJARLAIS. Thank you, Mr. Chairman.

Welcome back, Mr. Dodaro. I know the answer to the question, but for the record please tell us how much taxpayer money we could save if we were able to implement every one of GAO's recommendations today.

Mr. DODARO. Tens of billions of dollars.

Mr. DESJARLAIS. And you mentioned earlier the importance of the DATA Act. How, over time, would that improve the reporting standards and improve the quality and accuracy of claims?

Mr. DODARO. Well, right now you don't really have data standards at all, and that Act would place responsibility with the Treasury Department so they could consolidate and develop data standards that would require them to work with stakeholders both within and outside of the Government; would also establish a pilot that would require recipient reporting models to be developed so the Government could get more accurate reporting as it did in the Recovery Act. So it would be a major step forward.

Mr. DESJARLAIS. While it is vital that we advance the DATA Act in order to strengthen spending information, implementation is certain to face some of the same challenges as the GPRA Modernization Act and other good Government reforms. What can we do to avoid the same pitfalls?

Mr. DODARO. I think effective oversight by the Congress is absolutely essential. I think there ought to be more oversight and it ought to be focused more on how these acts could be implemented properly and consistently and diligently across the Government. We find continual problems in this regard. One area in the GPRA area that we pointed out is there is not enough effective consultation with the Congress and, as a result, there is not enough agreement on how to measure programs and activities.

All the tools are in place now in many areas, and if you get the DATA Act in place and a couple other things, you will have all the information. It is just a matter of basically rolling up your sleeves and working hard to implement these things properly.

Mr. DESJARLAIS. Can you discuss the status of any ongoing work GAO has with OMB or other Federal agencies to develop a comprehensive, well-defined, uniform list of all Federal programs?

Mr. DODARO. Yes. This is another area where the GPRA Modernization Act of 2010 required OMB to publish an inventory of all Federal programs. We have ongoing work looking at the inventory. It is really not helpful in identifying and comparing programs

across Government. OMB gave the agencies a lot of flexibility in how to define the inventory, so some defined them on budgetary accounts, others on outcomes or different types of bases, so it is really not comparable right now; it only includes the 24 major departments and agencies, it doesn't include the rest of the Federal Government. So both of those areas need to be addressed. So we really do not yet have a complete comparable inventory of Federal programs across the Federal Government.

Mr. DESJARLAIS. What is a reasonable time frame to expect getting a complete list?

Mr. DODARO. It should be able to be done soon, within a year.

Mr. DESJARLAIS. How do we achieve that?

Mr. DODARO. I think you have to put pressure on OMB and the agencies to develop that information. I mean, basically they are getting the money to run these programs; they ought to be able to provide a comprehensive inventory.

Mr. DESJARLAIS. GAO's work shows that building ownership is often more cost-effective in Federal Government than leasing. However, GSA continues to rely heavily on costly operating leases to meet the long-term needs. At the same time, GSA's current capital planning lacks transparency and makes it difficult to estimate long-term needs, prioritize projects, and evaluate alternatives to leasing, thereby inhibiting informed decision-making.

In your report, GAO identifies millions of dollars worth of potential savings if GSA were to improve its capital planning. Can you elaborate on the recommendations GAO makes to that effect?

Mr. DODARO. Yes. First, the GSA has to provide lease prospectuses to the Congress on high-value leases. Now, while the high-value leases last year was, I think, \$2.79 million a year on these leases, they aren't including a lot of information about alternatives. We looked at 218 operating leases. In 191 cases they didn't have information about alternatives that could be made in order to save money for the Federal Government either by buying the property, as opposed to leasing it. So a lot of the information isn't available and transparent to the Congress to be able to do this.

These high-value leases, while they are only 3 percent of the individual leases, account for one-third of all the lease costs to the Federal Government, so we recommended that they start including alternative analysis in these prospectuses to provide to the Congress so that you can begin quantifying how much would be saved by purchasing the property rather than leasing property. We found where the Federal Government is leasing some property for 40 years and also putting in substantial amounts of money into providing security upgrades, which we will never be able to recoup during the period of time.

For the operating leases prospectuses that had information in them about alternatives, there were, I believe, hundreds of millions of dollars that could have been saved had the alternatives been used other than leasing.

Mr. DESJARLAIS. Okay, I see we are out of time. Thank you.

Chairman ISSA. I thank the gentleman.

We now go to the gentlelady from New Mexico, Ms. Grisham.

Ms. LUJAN GRISHAM. Thank you, Mr. Chairman, and thank you for having this hearing.

And thank you, Mr. Dodaro. I really appreciate it. I think there is lots of work to do to make not only better and productive decisions that are sustainable to make sure these programs are effective and not redundant and not wasteful, but also making sure that they are really focusing on efficacy and either making decisions about keeping that program, if it is a priority, and fixing it and being clear about that and accountable, or eliminating that program and moving to something else that might meet that priority. And I want to talk about one of those programs.

New Mexico has one of the highest foreclosure rates still in the Country. In 2010, during the height of the crisis, one out of every 46 homes was going through a foreclosure process in Albuquerque. There are thousands of homeowners in New Mexico who tried to receive help from the Federal Housing Administration's Home Affordable Modification Program, or HAMP, and actually, before coming to Congress, I helped folks in a prior life to navigate it, and I found it to be the most confusing, difficult, ineffective effort of any program I have ever been associated with and was quite disappointed, and still am.

You find in your report that the Federal Housing Administration has failed to collect adequately and analyze any performance data of its foreclosure mitigation programs, including HAMP. Am I correct in that?

Mr. DODARO. Yes.

Ms. LUJAN GRISHAM. So the Federal Housing Administration has not conducted any analyses on the effectiveness of their foreclosure mitigation programs, the same programs that are, frankly, the only lifeline that my constituents went through to find help and stay in their homes. And I might add that very few of them, and, unfortunately, because we don't have the data, it is anecdotal, it doesn't appear that it has helped many New Mexicans. Do you have any information that would provide me a little better sense about whether HAMP was helpful or not?

Mr. DODARO. Yes. I am going to ask Orice Williams Brown, who is in charge of our work in that area, to respond. I would note, though, we also found problems at VA and Agriculture, as well.

Ms. WILLIAMS BROWN. Let me start with the report that you are referring to actually spent much of its focus on FHA. In terms of Treasury and the HAMP program, they actually did a little better job in terms of collecting information. That said, we have chronicled for the last five years all of the problems associated with the HAMP program, and there are a number of them that we identified with how the program was rolled out overall and the extent to which it has actually helped homeowners.

In terms of FHA and its efforts to deal with foreclosures, we found that FHA needs to do a better job collecting information, because if you look at the data and you look at cases of re-defaults, it is important for agencies to look at efforts that they have taken to address foreclosures and to drill into the data to find out which approaches work and which approaches have been less effective, rather than just continuing to take action; and we actually found, with FHA, that if they focus on reducing the payment by a significant amount, we found that about 30 to 49 percent tended to be the sweet spot in terms of having a lower re-default rate.

Ms. LUJAN GRISHAM. And I appreciate that, but you raise a very important point. Five years of collecting data, and that is five years where people are not, arguably, getting the assistance that they need by that program. And I can tell you that in my State it is a significant issue, and I get as many complaints about HAMP and the other mitigation programs as I do about dealing with the lending institutions and the loan servicers and the attorneys. They are not distinguished.

What I really want is an effective program that meets the needs of the constituents, but do you also believe that getting this data and having an effective program would save the Federal Government money if we were administering that program more effectively?

Ms. WILLIAMS BROWN. We found with FHA that, yes, that would be the case.

Ms. LUJAN GRISHAM. And you have actually answered my last question, which is the lack of this program evaluation and performance data, that it is a common problem among programs and agencies that the GAO analyzes.

Mr. DODARO. Definitely. Definitely. I mean, this is one area where I think effective congressional oversight would be enormously helpful.

Ms. LUJAN GRISHAM. And I am about out of time, but, Mr. Chairman and for the folks testifying today, it would also, I think, mitigate tons of consumer fraud in the interim that is now certainly pervasive in my State, because folks have no idea what is a credible program, who is doing what, how you get through. The response times are slow. It is an arduous process at best, and it is probably good that I am out of time to give you other examples and adjectives about how I feel.

Thank you, Mr. Chairman.

Chairman ISSA. You know, you sound like a Republican complaining about Government bureaucracy. You better be careful.

Ms. LUJAN GRISHAM. I think a little bipartisan work, Mr. Chairman, on these issues would be a very good thing.

Chairman ISSA. I certainly agree.

We now go to the gentleman from Michigan, Mr. Bentivolio.

Mr. BENTIVOLIO. Thank you very much, Mr. Chairman.

Good to see you again, Mr. Comptroller.

Mr. DODARO. Good to see you.

Mr. BENTIVOLIO. More than 83,000 persons remain missing from past conflicts in World War II, Korea, Vietnam, the Cold War, and Persian Gulf.

Can we show the first slide, please?

[Slide.]

Mr. BENTIVOLIO. As you can see, the missing persons are spread over every continent and under any command.

Please show slide two. Thank you.

[Slide.]

Mr. BENTIVOLIO. Understandably, this is a complex mission involving many offices. As you can see from this slide, the missing persons accounting community consists of 11 offices in 8 organizations that report through different lines of authority. Is the accounting community too fragmented? How do the soldiers and civil

servants working in those offices feel about the lack of a single chain of command?

Mr. DODARO. I think that everyone wanted greater clarity that we had talked with, and we pointed this area out. Fortunately, Secretary of Defense Hagel just recently, within the last week or so, announced that a new organization to have a more unified command over these issues which would simplify things. So we are hopeful and will be watching how this is implemented to see if it will correct this problem. We found it was very disjointed; it wasn't operating very effectively; it really wasn't accomplishing as much as it should have in order to locate the remains of these prisoners of wars and missing persons of action. So I don't think it was providing effective service to them, and hopefully this new organization will make a change.

Mr. BENTIVOLIO. Can we have slide 3, please?

[Slide.]

Mr. BENTIVOLIO. As you can see, on average only 72 persons are identified each year; no more than 100 missing persons have been identified in a single year. In 2009, the deputy secretary of defense directed the accounting community to build the capability to identify 200 persons a year.

How is the fragmentation within the accounting community hindering progress towards this goal?

Mr. DODARO. I would like to ask Cathy Berrick, who is head of our Defense Capabilities and Management team, to answer.

Ms. BERRICK. Thank you for the question. This is actually an open issue. Although, as Gene mentioned, the Department of Defense recently announced the reorganization to streamline the eight organizations within DOD that manage this function, DOD still has to put forth a strategy to meet a new congressional goal to identify 200 missing persons a year by the year 2015. As you mentioned, right now they are identifying about 72 to 74 missing persons a year, so they have quite a bit of work to do.

As a result of the fragmentation in these organizations within DOD and not having a clear line of authority, we had two different offices develop two separate plans on how they were going to achieve that goal and there was a lot of conflicting information in those. So we hope that with this reorganization these entities can now work together to come up with a plan to achieve that goal of identifying 200 persons per year.

Mr. BENTIVOLIO. You answered my next question. I appreciate that.

Can we put up slide 4? Slide 4, please.

[Slide.]

Mr. BENTIVOLIO. As you can see, it is clear that the accounting community is not lacking for Federal funding. From 2008 to 2012, the accounting community obligations increased from \$76 million to \$132 million. DOD has also indicated that additional funds will be reprogrammed towards this goal.

With the growth in funding, it is not clear to me that additional dollars will improve performance in this important mission. What concrete steps is DOD taking to improve the culture within the accounting community so that disputes between offices don't derail community-wide planning efforts?

Ms. BERRICK. In terms of the funding needed to meet this mission, it is really imperative that DOD complete a plan on how they are going to achieve the new goal to identify 200 missing persons per year. Right now they are identifying about half of that, so they need to figure out whether they need additional resources or other mechanisms to support meeting that goal. So in terms of budget I think the next most important step is for DOD to complete their plan so that can inform decisions about what their budget needs are.

Mr. BENTIVOLIO. Okay, when you examine each department and how they duplicate efforts, reading the briefing, I was wondering out of the 83,000, I got the impression there were offices working on the same area or same individual that was missing. Do you know how they differentiate out of the 83,000 missing? Do they assign like case files and can anybody access those case files within those eight agencies or eight teams?

Chairman ISSA. The gentleman's time has expired, but you can answer.

Ms. BERRICK. That is part of the problem. The roles and responsibilities for those eight individual offices isn't clear so, as a result, we identified overlap in four areas. One is in artifact and analysis, another is in research and analysis, another area is investigations, and the fourth is in family outreach. For example, there are two labs within those eight organizations, and just to give you an example of the overlap, we identified that one lab had already closed cases, not aware that the second lab actually had those in the queue to work. So it has resulted in problems like that.

Chairman ISSA. I thank the gentleman.

Mr. CONNOLLY. Mr. Chairman? Mr. Chairman, can I make an inquiry, just an inquiry?

Chairman ISSA. Very quickly.

Mr. CONNOLLY. We have votes on the floor right now.

Chairman ISSA. Yes, we do. We are coming back.

Mr. CONNOLLY. So you are going to break.

Chairman ISSA. We are going to break.

Mr. CONNOLLY. Okay. Thank you.

Chairman ISSA. The gentlelady from Illinois.

Ms. KELLY. Thank you, Mr. Chair, and thank you for your flexibility this morning. I appreciate it.

The report GAO released today focuses on two specific property-related issues leading to Government waste. One of those is the Federal Government's use of property leases. GSA was appropriated \$5.2 billion to provide 193 million square feet of rental space to Federal agencies and privately owned buildings, is that correct?

Mr. DODARO. Yes.

Ms. KELLY. What specific best practices does GAO recommend GSA uses to evaluate whether to lease space or to buy it, since there were comments about we could be wasting taxpayers' money?

Mr. DODARO. Yes. We recommended that they, first, in developing lease prospectus, particularly for high-cost leases, do an alternative analysis to say would it be cheaper to buy or cheaper to lease; to get more specific information from the agencies about how

long they are going to need the property to be leased over a period of time; and to develop that analysis.

I would ask Kate Siggerud if she would add anything to that.

Ms. SIGGERUD. There was one additional recommendation that we made in that report, and that was for these high-value leases that have existed for a long period of time, to develop a ranking or criteria system to move some of those high-cost leases into ownership situations, and then present that clearly to the Congress so that choices could be made.

Ms. KELLY. Would an example of that be the Environmental Protection Agency in Seattle?

Ms. SIGGERUD. We did have that as an example in the report, yes.

Ms. KELLY. GAO's report also focuses on cost savings related to real estate owned, or REO, properties owned by the Federal Government after foreclosure. A number of agencies own these properties, including the Departments of VA, Agriculture, and enterprises Fannie Mae and Freddie Mac. GAO, however, singled out the Federal Housing Administration as taking the most time to dispose of foreclosed properties, about 340 days.

Mr. Dodaro, that would be nearly \$1 billion per year in savings from one agency alone, is that correct?

Mr. DODARO. Yes. There would be quite a bit of savings in that area if they could reduce that size. Ms. Brown will explain how that would happen.

Ms. WILLIAMS BROWN. Part of the process that made FHA a little different has to do when they actually take ownership of the property. And in the case of the enterprises and VA, rather than waiting to go through the process of redemption and actually having a free and clear title, they wait until that process is complete before FHA actually takes ownership, and that is part of the reason that they have a longer process. But they also take longer to actually sell the properties.

Ms. KELLY. GAO notes that FHA's oversight over the contractors is usually maintain and dispose of properties have weaknesses. How does GAO recommended that FHA improves its oversight of these contractors?

Ms. WILLIAMS BROWN. We outlined a series of recommendations for FHA to improve their oversight. One of the things that we found they were deficient in had to do with actually tracking the performance of the contractors for the various properties. That is one area that we recommended that FHA focus on, and also improve the guidance that they give to their regional offices to ensure that the contractors are being consistently overseen across the regions.

Ms. KELLY. Thank you very much.

I yield back.

Mr. LANKFORD. [Presiding.] Thank you.

Mr. Dodaro, thank you for being here. I am going to get a chance to run through some of these quick questions. We are about to break for a recess in just a moment. I want to bounce a couple questions off before we do in this process.

You have some serious concerns on the Medicaid demonstration projects. We are talking about tens of billions of dollars. Can we

talk through a little bit about this? The demonstration projects have a requirement to be budget-neutral to be a demonstration project. Are the demonstration projects budget-neutral?

Mr. DODARO. We looked at 10 demonstration projects and found problems with four that we believe they were not budget-neutral.

Mr. LANKFORD. State-specific for them? Are you talking about four specific States or four—

Mr. DODARO. Four specific States.

Mr. LANKFORD. Okay.

Mr. DODARO. In total, we found about \$32 billion that was being paid to the demonstration projects that we believe was in excess of the budget neutrality provision. They were using outdated information in some cases, and in some cases they were accounting for costs prospectively that the State had never retrospectively spent money on.

Mr. LANKFORD. Okay, so the State and the Federal Government have a partnership in this as far as the funding of that. The \$32 billion for the four States, is that all the Federal portion or is that State and Federal portion combined?

Mr. DODARO. That is State and Federal portion combined. I think it was about \$21 billion was the Federal portion. I will correct that, if I am wrong, for the record.

Mr. LANKFORD. So is that in a single year or is that over multiple years?

Mr. DODARO. I believe it is over five years.

Mr. LANKFORD. All right, so \$21 billion over five years that has been spent that does not meet the basic criteria under law for being budget-neutral.

Mr. DODARO. Well, the budget neutrality is not by law, it is by HHS policy. And one of our recommendations is for the Congress to require it be done by law and instruct the secretary to change their procedures to make sure that it is implemented that way.

Mr. LANKFORD. Okay. The same issue with the Medicare Advantage demonstration program that we have talked about in the past. Two and a half years ago \$8.3 billion was moved into a Medicare Advantage demonstration program. A part of that is obviously budget neutrality and also a report to come back to show what they are demonstrating. Have you seen a report of what they were trying to demonstrate with that Medicare Advantage program?

Mr. DODARO. Well, we had concerns about whether or not the demonstration, the way it was structured, could conceivably ever demonstrate what it was intended to demonstrate, and basically those years have run out now. We have recommended every year that Congress rescind some of the money there that would be put in place, but they haven't. The demonstration is over now. I don't know if we have looked at the final report or not.

Mr. LANKFORD. Did they submit a final report of what they were trying to demonstrate with that \$8.3 billion transfer of funds?

Mr. DODARO. I don't know, Congressman. I will get an answer for you and give it for the record. But our point was the way it was structured, with data that occurred beforehand—first of all, as I recall, they were giving money to mediocre performing plans, and not just high performing plans, and encouraging people to improve their performance. So by the structure and how it was set up, we

believe it would not have been able to demonstrate that it was having an effect because so many people were already receiving the payment.

But I will follow up and get you a detailed answer.

Mr. LANKFORD. It was not designed to demonstrate anything; it was designed to carry over Medicare Advantage passed the election, so there wouldn't be serious cuts to Medicare Advantage until after the election was over. But that is a different issue on it.

One last thing, then we are going to recess. VA and DOD have purchased prescription drugs together in the past to provide greater efficiency. Have you seen any kind of trending? They have discussed it often again, about trying to get back together. That seems to be around \$500 million they could save a year, just to be able to combine their purchasing power. While there has been discussion, is there any movement that you have seen towards that?

Mr. DODARO. I will get you a specific answer, but last time I recall we looked at it they weren't taking full advantage of the potential purchasing power of both entities, but I will get you a specific update.

Mr. LANKFORD. Okay. Thank you very much for being here.

We are going to recess for a moment because of votes, and then the committee will come back in order as soon as the votes have completed.

Mr. DODARO. Thank you very much, Mr. Chairman.

Mr. LANKFORD. We are going to recess.

[Recess.]

Chairman ISSA. The committee will come to order.

Mr. Dodaro, we will shortly have other individuals coming back, but I thought I would take a moment. I guess you would be considered nonpartisan since it is just you and me. The Healthcare.gov Web site, in combination with the other parts of the Affordable Care Act, some 30-some separate Web sites that were done by 30-some separate States at a cost, let me rephrase that, a grant of no less than \$100 million, and sometimes over \$300 million apiece. Have you looked into, if you will, the cost and duplication involved in that?

Mr. DODARO. We have been asked by a number of parties and the Congress to look at Healthcare.gov, a lot of aspects of it, and also the State Web sites, as you mentioned, Mr. Chairman. So we will be looking at those issues both in terms of how they were designed and what kind of investment policies, testing that they did. And while we haven't been asked to specifically look at the potential for overlap and duplication, you raise a good point. So I will make sure that we look at that aspect of it as we cover this issue. I thank you for raising that.

Chairman ISSA. And I appreciate it. You have a big job in looking at all aspects of that and I wanted to make sure that we did not look at the Affordable Care Act and Healthcare.gov and the other sites as an event that we can do anything about. The money is spent; the history is written.

But legislatively this committee would have the authority to prohibit grants if they were redundant. So as you are looking at, if you will, this propensity to give everyone a little bit of buy-in money, which there were plenty of costs that could have been provided in

grants, but in this case the building of IT, when clearly, once you got to the second State and the third State and the fourth State, any level of duplication was pure waste.

And in the case of, for example, Maryland, versus Kentucky, versus other States, we also have this odd situation in which you have failures and successes in some cases just because they didn't know what the other entity was doing.

So as you look at it, look at it in a mind to a proposed legislative fix that would prohibit any future Government in any area, not just health care or something as this example, from issuing grants that would duplicate in State after State without a justification. Sometimes there are justifications, but without a specific justification. Because I believe that this was well intended, but if anyone had sat down and said you are going to spend over \$5 billion to produce essentially duplicate copies of Web sites that all do the same thing, they would have said, my goodness, we can spend three or \$4 billion of those dollars somewhere else and do better.

So I would appreciate that.

I will now, as I said, go to Dr. Gosar for five minutes.

Mr. GOSAR. Thank you, Chairman, and thank you very, very much, Mr. Dodaro.

A couple things, statements. Compared to Fannie and Freddie Mac, FHA saw about 4 to 6 percent lower returns on disposition of foreclosed properties and took 60 percent longer to dispose of those properties, average of 340 days versus 200 days. And there are a number of things that Fannie and Freddie do that FHA does not do.

So can you put up slide number 1 for me?

[Slide]

Mr. GOSAR. FHA real estate owned properties performed behind Fannie and Freddie. GAO analysis shows that FHA REO properties are 4 to 6 percent behind there. When it takes FHA about 60 percent longer to sell an REO property, how does this affect FHA's performance to get rid of that property in disposition?

Mr. DODARO. I will ask Ms. Brown to respond.

Ms. WILLIAMS BROWN. It impacts the return on the property, so it is the amount of how much they actually spend and then actually how much they get back. So it affects their overall return on the property.

Mr. GOSAR. Yes, but if we were to follow Fannie and Freddie in that same disposition, we could have seen as much as \$400 million in costs incurred, but saved as much \$600 million.

Ms. WILLIAMS BROWN. Yes.

Mr. GOSAR. Seems like a very good balance line, wouldn't it be?

Ms. WILLIAMS BROWN. Excuse me?

Mr. GOSAR. It would be a very good balance line?

Ms. WILLIAMS BROWN. Yes.

Mr. GOSAR. Yes. How does FHA's disposition process differ from the disposition process of the enterprises or the private industry?

Ms. WILLIAMS BROWN. We found that it differs in a couple of areas. One, it differs on the front end when FHA actually takes possession of the property and starts the sale process, the management and the sale. It also differs in terms of how they go about getting their initial sale price on the property. FHA tends to go with

a single price; the enterprises and VA tend to get a number of prices to come up with a sale price.

They also differ in terms of how they reduce the sales price if a property has been on the market for a while. FHA takes an approach that they have a price and they will reduce the sale price of the property the same, regardless of where that property exists in the Country. The enterprises and VA will take a different approach, they will actually consider market factors in terms of reducing the price of a sales property.

Mr. GOSAR. And don't the other entities also look at maintaining and changing that out?

Ms. WILLIAMS BROWN. Yes.

Mr. GOSAR. And that is a big deal, isn't it?

Ms. WILLIAMS BROWN. Yes.

Mr. GOSAR. And what prohibits the FHA from doing that? What is one of the prohibitive factors in maintenance and improving the lot?

Ms. WILLIAMS BROWN. Well, we aren't aware of anything that prohibits them from doing that; it is something that we recommended that they take a look at in terms of the difference in their properties and the others. FHA indicated in their comments back to us that they weren't sure that that would actually increase their ability if they did a certain minimal maintenance.

Mr. GOSAR. Well, I am going to stop you there because we have limited time. The GAO's 2013 report, HUD reported the compliance with Davis-Bacon, made it difficult to engage in projects to make necessary repairs to increase sale returns. Fannie and Freddie do not need to comply with Davis-Bacon. So there is another aspect, is there not?

Ms. WILLIAMS BROWN. Well, there are costs associated with it, but when we did our analysis we actually controlled for geographic differences in terms of so if you are dealing with a different geography and the labor associated with maintaining a property in one community versus another. Those were controlled for in terms of how the enterprises fared versus FHA.

Mr. GOSAR. Well, then why don't other entities cite that barrier? I mean, it sounds if we are recreating the wheel, we ought to look at the wheel prior to that, wouldn't we?

Ms. WILLIAMS BROWN. Yes.

Mr. GOSAR. I mean, Davis-Bacon is riddled with fraud, right?

Ms. WILLIAMS BROWN. Well, in that 2013 report we didn't drill in on Davis-Bacon.

Mr. GOSAR. Well, maybe we should, because in that GAO report it actually showed that the calculations for Davis-Bacon were 100 percent fraudulent. A hundred percent.

Ms. WILLIAMS BROWN. In the 2013 report?

Mr. GOSAR. 2012, I am sorry.

Ms. WILLIAMS BROWN. GAO's 2012 report?

Mr. GOSAR. Absolutely.

Ms. WILLIAMS BROWN. Okay.

Mr. GOSAR. I mean, just in your calculation from the Department of Wages and Labor and moving it to the Bureau of Statistics, GAO hardly likes Davis-Bacon, do they?

Ms. WILLIAMS BROWN. This body of work didn't focus on Davis-Bacon; it could be another body within GAO.

Mr. GOSAR. I mean, when you start looking at some of the implications, particularly on buildings and maintenance of buildings, and increasing aperture, this is a barrier, and it cites it that this is a barrier; and we ought to be looking at this because CBO says that if we just change the calculations, we could save between \$10 and \$25 billion a year just by calculating Davis-Bacon properly. And part of the problem with utilizing Davis-Bacon is there is no transparency, no one knows how it is calculated. So that would make it very easy for us to see an increase in sales and looking at the taxpayers' dollars a little bit better.

Mr. DODARO. We will take a look at that issue.

Mr. GOSAR. Okay.

I am running out of time, so I will yield back to the chair.

Mr. COLLINS. [Presiding.] The gentleman yields back.

The chair now recognizes himself for questions.

It is always good to have you, Mr. Dodaro. This is the part for me, as a freshman, and the meetings that we have. One, I love the reports that you have and the reports that are put out. We talked about this last year. I am in the military. That part on military uniforms is, again, unfathomable in most comprehensive reports, especially when you look at it from a position of other things that we need. And I think when you spend those dollars in certain ways it just presents an issue for many of us as we look at this and say why do we have these duplication of products; why do we have these services; why are these things not being done.

So in that line I have some things I want to talk to you about and some issues that I think maybe from the chairman's earlier comments today and many other's earlier comments, how do we get to fix this. For my district, we are about fixing issues; we are about fixing problems. I did not come to Washington to be a spotlight and simply shine a light and say here is a problem, there is another problem. I think the way we rebuild with the American people is we say here is a problem, here is how we fix it; here is a problem, here is how we fix it.

In looking at that, I do have a couple questions for you.

As I understand it, the GAO started issuing these reports in 2011. I want to know how many of these recommendations have been fully addressed.

Mr. DODARO. Of the over 389 specific actions that we have made, 123 have been fully addressed, so it is about a third.

Mr. COLLINS. Would that be fully addressed?

Mr. DODARO. Yes.

Mr. COLLINS. Completely. So from what we are gathering, it is about 19 percent.

Mr. DODARO. Well, it depends on—there is 162 areas.

Mr. COLLINS. Right.

Mr. DODARO. If you take the areas, that is about 19 percent, 20 of the areas. But if you go down to the specific actions it is a little bit more.

Mr. COLLINS. Well, again, that is completed actions. I know there are a lot that have partial actions, other things like that, but I am looking at completed, because when you look at this, to explain this

back home, when you go home and you see these or they take the GAO reports, because I have a lot of folks in the 9th District of Georgia that look at these reports, they see them put out, and they say, well, why can't you do this? And we say, well, that is just a little bit. Well, it means a lot. This hundred million here, hundred million there, that is actually real money in the State of Georgia, especially in the 9th District. So they don't understand how we can't do this or come together.

I recall the words of Senator Coburn. He came before this committee just a few months ago and he said that he never dreamed that the GAO would have published these reports and Congress wouldn't embrace all the recommendations. He said that he thought that these reports would embarrass Congress into action. It is not the GAO's fault; it is Congress's inability to address these types of issues.

And that is the reason that I am going to, in just a few days, introduce the Commission on Accountability and Review of Federal Agencies, the CARFA, Act. This is not new; we have made some changes to it, but we are bringing it back up. This will establish a results-orientated bipartisan commission made up of seven official members appointed by the President and Congress, one each appointed by the Majority and Minority leaderships of both Houses and three appointed by the President, as well as four non-voting *ex officio* members, members of Congress, two from each House.

The Commission's charge will be to recommend: one, realignment where a function can be performed by two or more agencies or programs and can be consolidated; two realignment or elimination of any agency or program that has wasted Federal funds; and, three, elimination of any agency or program that has completed its purpose, become irrelevant, or failed to meet its objectives. Any savings that result from the consolidation or cancellation of programs will be applied to offset the cost of the Commission for deficit reduction.

The findings and suggestions of this Commission will have privileged status before the House and the Senate, and this is important, and will be considered in their entirety without amendment, which, by forcing Congress to vote up or down on a Commission's recommendation, the congressional log-rolling that normally protects spending and waste can be circumvented and backroom deals become much less effective.

Farm Bill negotiations over the USDA's duplicative catfish inspection program point to this perfectly. In 2012, Senators McCain and Kerry offered an amendment to the Farm Bill, which was approved by voice vote. The GAO, your organization, included this program in its list of duplicative programs in its 2013 report. I remember you and I having this discussion last year. I couldn't understand. Like I said, you inspect catfish at my place, you catch them, you inspect them, you put them in the bucket. Okay? There is bigger issues here. I know, but we have a protection issue going on.

In the most recent Farm Bill, there was considerable effort by a vast majority of members in Congress to repeal this program. Unfortunately, due to the effects of several influential members, the program was included in the bill and another defeat for Govern-

ment efficiency. CARFA is designed specifically to address issues like this one.

So not only urging members who are watching now or listening to become a cosponsor on this, I would like to talk with you just a moment about actually looking at these recommendations and how we can work together. Comment on Mr. Coburn's discussion when he said that he thought it would embarrass us into action. And just on more of a personal level, has it surprised you, the lack of inaction on these items?

Mr. DODARO. At one level, I have been concerned that there hasn't been enough movement of legislation that has been introduced. I mean, in many of these areas legislation has been introduced and has, in some cases, advanced, but it hasn't been passed, even in cases where the President also agrees and has submitted it in the budget proposal. So where there is broad agreement and legislation has been introduced between certain parties and the Congress and the President, yes, I have been surprised that there hasn't been quicker action when those circumstances present themselves.

On areas where we have pointed out multiple programs across multiple agencies that touch upon many different parts of the Executive Branch and various committee jurisdictions, no, I haven't been that surprised that there hasn't been fast action on those areas.

So it is kind of mixed depending upon the areas. There are a lot of areas I would consider to be very straightforward and broad agreement; there, I am perplexed as to why there hasn't been more action. But in some of the more entrenched areas where there are constituencies and longstanding Federal programs and interest groups and others, I am, quite frankly, not surprised that more hasn't happened.

Mr. COLLINS. Well, I think that is a concern for all of us and maybe one of the reasons why we are addressing it, is because Congress hasn't acted, and we come with another reasons. You hear enough speeches about cut this, cut that. That never happens. It sounds more like my excuse for my children not cleaning their rooms at this point.

With that, I will yield to the gentleman from Arizona for five minutes.

Mr. GOSAR. I want to continue where I left off.

In 2002, GAO recommended that HUD establish unified property custody as a priority for FHA. Now, more than a decade later, FHA still does not have consistent custody over the foreclosed properties. Today's report indicates there is still bifurcated ownership. What benefits may FHA see if it establishes a unified property custody?

Mr. DODARO. We think it will lead to quicker action in disposing of the properties.

Mr. GOSAR. I think I would agree with you. Why hasn't FHA actually taken and implemented this recommendation?

Mr. DODARO. You know, Congressman, in preparing for this hearing, I asked myself a lot of the same questions. I have asked my staff to elevate this issue within the Federal Housing Administration and I do plan to follow up, myself, personally with the secretary of HUD about why they haven't taken more action on these

areas. I am, quite frankly, surprised along the lines of the previous question.

Mr. GOSAR. Are there any other things that GAO would tell FHA that they would help in the implementation?

Ms. WILLIAMS BROWN. We have highlighted a number of alternative approaches, the one you mentioned being one, and FHA, for the first time, has started to begin to look at some alternatives to dealing with REO, and we actually think the one you mention would be transformative for the program if it were to actually look at the whole unified custody approach.

Mr. GOSAR. Gotcha. I am going to now refocus. Being a dentist, I am going to go back to defense health care contracting.

The report issued today identifies contracting for the Defense health care professionals as an area of fragmentation in the Federal Government. The central issue is a lack of consolidated agency-wide strategy to contract for health care professionals. Can you explain the efforts the Army, Navy, and other components within DOD and what they have made to remedy the problem of this widespread fragmentation?

Mr. DODARO. Yes. I will ask Paul Francis, who is the head of our Acquisition Services, to elaborate, but part of the problem, Congressman, is that there is not any effort to coordinate across the services. And even we find some efforts within the individual services to coordinate among themselves, within the Army, Air Force, and Navy, and neither of those efforts were very effective; and there wasn't any effort across the services to do so.

Paul?

Mr. FRANCIS. Yes, sir. What we found was in contracting for medical health care professionals at DOD's facilities, I think there was \$1.1 billion in contracting. We found about only 8 percent of that where two services got together and consolidated the requirements. Even when a single service was doing the contracting, they would award multiple contracts for the same type of people in the same facility.

And I think the issue is with the Federal Government and contracting is if you run your competition and you have a pretty good contract, you seem happy. But that is just not good enough. So these contracts are competed; they are good instruments and so forth, but the Government needs to do more, to do like private industry. So you need to be looking for your best deals. So while the Army, for example, might have 10 really good contracts for 10 different things, maybe it should have one contract for 10 things.

Mr. GOSAR. Is there a way, from your viewpoint, that we could get the military to actually get this taken care of and done and actually implement contracting unified across the board?

Mr. FRANCIS. Yes. Now, there are a couple things. There is a new Defense health agency that says it is going to take that up, but we are still waiting. And there has been a subcontract group that is supposed to deal with it as well. But I think Congress could create incentives. One would be do something with the money. If you think savings are available, maybe you could lower the budget by that amount and create an incentive for them to consolidate those contracts.

Mr. GOSAR. Part of the problem, even though we have power of the purse, is actually trying to get a budget passed. I mean, I am a dentist impersonating a politician, and to see what goes on in this place is just absolutely ludicrous. So maybe a commission, maybe a mixture of retired military as well as some business folks. Could a commission like that actually have some benefit?

Mr. FRANCIS. It could, although I would say I don't think there is any question about the problem. People agree it is not that efficient; it has been studied. And I think people know what to do about it. It is the point you made, the actual taking of action; that is what is not happening.

Mr. DODARO. Congressman, we have recommended in the past that there be a chief management official over at the Department. In this case, and like many of the cases, the people we talk with in the Department agree with us; they just can't be organized enough to focus on the implementation of the program. So congressional oversight and control of the funds within the Department is really the only way to do it. In many of these areas there have been commissions in the past and studies, and my feeling is that other commissions will have marginal effect; that you really need to focus on and hold the people in the Department accountable for focusing in on it if you really want some action done.

Mr. GOSAR. Well, that gets back to my aspects of that we have a lawless society in Washington, D.C., because we can't even get compliance with a subpoena by the attorney general of the United States. So that is also problematic, but that is another subject for another day. Thursday. But I thank you very, very much.

I yield back the balance of my time.

Mr. COLLINS. I thank the gentleman.

The gentleman brings up a great point, though. In just listening to you, I love what these words are: we are still waiting. You made it just a second ago. How many times have we come into this room, and that is one of the things we are still waiting? Or I don't remember, or we are getting to it, or we are still waiting; oh, the report hasn't come out yet.

And, yet, when you come inside basically the Beltway, the only area in the world right now, especially in the U.S. over the last few years, that is actually building, growing, and producing something which is not widgets, but they are jobs to do the things that we are talking about here in areas in which hurt business. They don't do things efficiently, they change up things.

That is why I believe the Commission we are proposing—and, again, I am not, by any illusion, I was in Georgia. In the appropriations committee, appropriators, this is an area where we should be doing some of this; we are not doing it now. Not an indictment on anyone, I think it is just the politics of it. So we are actually putting together an up or down vote, a BRAC style vote. You put this up, there are going to be some things that you may not like, but you find the common agreement stuff. You are not going to get a report from a bipartisan commission that is going to have these things that most people don't agree with.

We are looking at this and it also is six years and takes each appropriations bill two each year. So you are going through the whole appropriations bill process in six years. And then at the end it has

a provision in which GAO will do a report to look at what actually happened in this process.

So as we look at this, I think the other issue is getting control of the budget in and of itself. You said areas like this where we find this, why should these still be rewarded, and I think those are the things we are going to look at, my office is looking at, is to say if we see it in the report, then we need to make an amendment in the appropriations process; undoubtedly, you don't need this anymore.

That is the one thing I think that we can continue on; it is one thing this committee needs to be a part of, because the American people, if there is one thing true, they are simply tired of saying we are still waiting. They can't wait on their jobs; they can't wait on their businesses; and Washington needs to do the same.

So, with that, I see no one else. I would like to thank the witness for taking time from his busy schedule to appear before us today. When you come, you bring light. I hope now that we can take that light and actually put these into work.

With that, the committee stands adjourned.

[Whereupon, at 3:45 p.m., the committee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

Questions for
The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office

Representative Rob Woodall
Committee on Oversight and Government Reform

Hearing: "Reducing Waste in Government: Addressing GAO's 2014 Report on
Duplicative Federal Programs"

I have one of three NIH-designated Centers of Excellence for autism research in my state, the Marcus Autism Center, and we're so proud of the work they do and the lives they change.

They were kind enough to host me for a visit last summer, and I was encouraged to learn that they can diagnose children with autism as early as eighteen months old, and we might be able to cut that time down to six months in the near future.

This is significant because early diagnosis and intervention can dramatically improve the quality of life for children with autism and their families. It can lead to fewer long-term problems and more fulfilling lives, and also could lower the costs associated with their education and health care. It's a win-win for everyone involved—the child, the family, and the taxpayer—but I'm worried our federal government isn't taking advantage of our scientific advances in the field.

While GAO has done important work building on its findings from the November 2013 that analyzed duplication in federal autism research efforts, I have not come across a GAO analysis of whether existing federal funding priorities appropriately consider advances in scientific research, such as those suggested by the IACC, relating to autism. Whether we are talking about diagnosis, biology, causes, or treatments- medical science is advancing quickly in the area of autism spectrum disorder.

1. Are agencies that are providing education and health care funding really taking into account that the average age of diagnosis could in the very near term drop from ages 4 and 5 to toddlers and younger?

The experts I've spoken with in the field believe that there will be a "gathering storm" of younger children receiving a diagnosis and who will be seeking assistance from federal and state agencies to access early intervention and treatment. As you probably know, the CDC reported last month that an estimated 1 in 68 children are being identified with autism spectrum disorder, up from 1 in 150 children in 2000. It's clear we have a challenge ahead, and I'm committed to working with my colleagues to address it.

GAO Response to Question for the Record
from Representative Rob Woodall
House of Representatives, Committee on Oversight and Government Reform
Following the Committee's April 8, 2014 hearing entitled
"Reducing Waste in Government:
Addressing GAO's 2014 Report on Duplicative Federal Programs"

1. Are agencies that are providing education and health care funding really taking into account that the average age of diagnosis could in the very near term drop from ages 4 and 5 to toddlers and younger?

The work we performed in preparing our 2013 report, *Federal Autism Activities: Better Data and More Coordination Needed to Help Avoid the Potential for Unnecessary Duplication* (GAO-14-16) showed that federal agencies are aware of and concerned with an increase in the prevalence of autism, as well as the need for early intervention and treatment. For example, during our review, we found information on federal activities related to assisting children diagnosed with autism at early ages. Two of the reports issued by the Interagency Autism Coordinating Committee (IACC) —the Strategic Plan for Autism Research and the Autism Spectrum Disorder Research Portfolio Analysis Report—are organized into seven research areas. At least two of these areas contain research objectives that relate to providing effective interventions and services to those diagnosed with autism. The research area, "treatments and interventions," is focused on finding effective therapies and interventions under a variety of topics including behavioral, educational, pharmacological, and dietary treatments. One of the objectives within this research area is to launch randomized controlled trials of interventions and five of these trials are to focus on infants and toddlers. In addition, the "services" research area addresses topics relating to where people diagnosed with autism can turn for services. For a list of the research areas and the objectives within each area see Appendix III in our report (GAO-14-16, p. 47).

Also, the IACC strategic plan, which is updated annually, provides a description of the state of the science in each research area, as well as the research and community needs. According to the IACC, its most recent strategic plan underscored the need for research to focus on developing efficacious, efficient, scalable, and cost-effective interventions, tools, and practices that can be translated into affordable and practical healthcare and service options for the autism community. The IACC also stated that it highlighted the urgent need to accelerate translation of scientific discoveries into interventions that can improve quality of life for individuals with autism and their families.

We also found that agencies, such as the Department of Education (Education) and the Centers for Medicare & Medicaid Services (CMS) have activities that relate to providing services to children diagnosed with autism. For example, Education had funded training activities that prepare personnel in special education, related services, and early intervention, to work with children with disabilities, including autism. These activities can be found in Appendix IV in our report (GAO-14-16, p. 60). CMS also funded reports that provide a summary of state services available for people with autism. CMS released the most recent report in January 2014 and it covers services available in all 50 states and the District of Columbia. This report can be found at **Autism Spectrum Disorders (ASD): State of the**

States for Services and Supports for People with ASD.¹

While our work suggests that agencies are concerned with the early intervention and treatment of a growing population of autistic children, our work was not intended or designed to address whether the hundreds of research and non-research activities funded by federal agencies were the most meritorious or scientifically appropriate.² Such an analysis was outside the scope of our review. While our work did not address the scientific rationale or priorities used to provide federal funds to certain projects, the actions we recommend focus on improving the coordination of HHS autism activities and monitoring of all federal autism activities. Such coordination and monitoring is important to maximize the effectiveness and efficiency of the federal autism investment, as well as ensure that autism research moves forward in a coordinated manner.

¹The report, accessed April 23, 2014, is available at <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Long-Term-Services-and-Supports/Downloads/ASD-State-of-the-States-Report.pdf>.

²Our report focused on two objectives: the extent to which federal agencies fund potentially duplicative autism research and other autism-related activities, and the extent to which the Interagency Autism Coordinating Committee and agencies coordinate and monitor federal autism activities.

